Commodity Management Toolkit
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.
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.
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.

Click “Go Back” to return to one level higher in the sub-process.
Click the NEXT box to begin exploring the Commodity Management Interactive Life-Cycle Process Maps.

Corresponding TOOLS are listed in a green box. All tools for a sub-process are located in a folder for that sub-process. Save the TOOLS to your computer, and adapt them to your local context.
Commodity Management Interactive Life-Cycle Process Maps

1.0 Project Start-Up
2.0 Sales Order
3.0 Procurement
4.0 Ocean Shipment
5.0 Port Operations
6.0 Transport
7.0 Warehousing
8.0 Distribution
9.0 Food Distribution Monitoring
10.0 Close-Out

A.0 Internal Control and Quality Oversight
B.0 Internal Losses

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

Awardee

Funding for commodity component received

COP

1.1 Hire commodity manager (with HR)

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

1.4 Contract necessary service providers (with Procurement)

Participation of distribution agencies?

YES

1.6 Establish written agreements with agencies that will distribute commodity

NO

1.8 Establish distribution monitoring system

1.9 Establish community-level committees

1.10 Compile master recipient list

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

Program Management

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

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

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

Phosphine Fumigation Management Plan TEMPLATE

Commodity Manager Core Competencies

GO TO A.0: Internal Control

Commodity Management

USAID Pesticide Evaluation
- Report and Safer Use Action Plan (PERSUAP) TEMPLATE

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

1.4 Contract necessary service providers

1.4.1 Hire freight forwarder

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

1.4.3 Validate port assessment, even if TB/L used

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

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

Service providers not contracted during proposal stage

Freight Forwarder Agreement EXAMPLE

Clearing & Forwarding Agent Agreement EXAMPLE

Clearing & Forwarding on TB/L Agreement EXAMPLE

Independent Surveyor Agreement EXAMPLE

Independent Surveyor on TB/L Agreement EXAMPLE

Port Assessment CHECKLIST

Clearing & Forwarding Agent CHECKLIST

Independent Surveyor CHECKLIST

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

Distribution agencies identified

Commodity Management

Program Management

Distribution Agencies

: Distribution Agency Agreement CHECKLIST

END
### 1.0 PROJECT START-UP

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

<table>
<thead>
<tr>
<th>Program Technical Sectors</th>
<th>1.7.1 Clarify targeting (eligibility) criteria stated in proposal</th>
<th>1.7.2 Ensure baseline questions capture information on eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project baseline being designed</td>
<td>1.7.3 Analyze baseline data on eligibility</td>
<td>1.7.4 Use data to map out distribution centers</td>
</tr>
</tbody>
</table>

**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 Technical Sectors

Program Monitoring Team

Project monitoring team leader hired

Food Distribution Monitoring: System GUIDELINES
A Practical Guide to Sampling

Program Management

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

1.10.4 Ensure ration/ID cards comply with approved donor branding plan

1.10.5 Verify and register recipients

1.10.6 Identify distribution sites

Community and Local Stakeholders

1.10.7 Issue recipient ration/ID cards against some form of identification

MIS/Monitoring Team

1.10.8 Produce electronic master list/database

END
1.0 PROJECT START-UP

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

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

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

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

1.11.4 Submit TA modification request to FFP

1.11.5 Approve TA modification request

1.11.6 Sign TA modification

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

TA modification necessary? NO

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

1.11.4 Submit TA modification request to FFP

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TA modification necessary? YES

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1.11.4 Submit TA modification request to FFP

1.11.5 Approve TA modification request

1.11.6 Sign TA modification

END
2.0 SALES ORDER

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

2.2 Send request for concurrence to USAID

2.3 Enter sales order (SO) in WBSCM

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

2.5 AOR notifies FFP/POD of SO number via email

2.6 Approve SO

2.7 Contract inland transportation to final destination (see 6.0)

Through bill of lading?

YES

GO TO 3.0: Procurement

Commodity Management

Commodity needed in 3 to 6 months

Awardee HQ

Freight Forwarder

USAID

USDA

Click here for all sub-process tools
2.0 SALES ORDER

2.6 Approve sales order

- **Awardee HQ**
  - GEO/CBO reviews, approves, and enters concurrence in WBSCM
  - POD reviews and verifies all certifications in order, and approves (within 1 week)

- **Freight Forwarder**
  - Revise and resubmit

- **USDA**
  - Revisions needed? (YES/NO)
  - DACO provides final approval within 2 weeks

- **END**
2.0 SALES ORDER

2.6.4 DACO provides final approval

- **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**
  - Create tender(s)
  - Award contract(s)
  - Administer contract(s)
  - Go to 4.0: Ocean Shipment

- **USDA/FFP**
  - Sales order approved
  - Pipeline analysis reveals shortage (or emergency need)

- **Commodity Management**
  - Determine feasibility of commodity swap or loan
  - Swap or loan feasible?
    - YES: Complete commodity swap or loan
    - NO: Go to 5.0: Port Operations

- **Freight Forwarder**
  - Request transfer or diversion from another food assistance program
  - Ocean shipment involved?
    - YES: Go to 6.0: Transport
    - NO: Go to 5.0: Port Operations

**Click here for all sub-process tools**
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
- 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

**USAID/FFP**

- 3.1.3 [POD and Country Backstop Officer] Confirm list

GO TO 3.2
3.0 PROCUREMENT

3.2 Award contract(s)

**USDA/KCCO**

- 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

**USAID/FFP**

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

**GO TO 3.3**
3.0 PROCUREMENT

3.3 Administer contract(s)

**Vendors**

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

**USDA/KCCO**

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

**USDA/DACO**

3.3.3 Provide unique documents to Awardee freight forwarder

[Diagram showing the process flow]

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[Back 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

- **Agency available?**
  - **YES**
    - 3.4.2 Verify quality of available commodity (e.g., BUBD, infestation)
  - **NO**
    - 3.4.3 Seek approval/concurrence from AOR

**COP**

3.4.4 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
- **NO**
  - 3.4.6 Arrange logistics to move commodity to warehouse

**USAD/FFP**

- **GO TO 3.6**
- **NO**

END
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**
- Ocean shipment involved?
  - YES
    - 3.6.3 Notify USAID/POD
    - 3.6.4 Notify OAA/T
  - NO
    - Go TO 6.0: Transport
    - Go TO 5.0: Port Operations
4.0 OCEAN SHIPMENT

4.1 Create tender (RFP)

START

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

Freight Forwarder

- 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

USAID

- 4.1.3 Compile and post Freight RFP Requirements Summary on USAID website

GOTO 4.2
4.0 OCEAN SHIPMENT

4.2 Review offers (bids)

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

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

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

4.2.4 Send notification of freight award to PVO

4.2.5 Review and finalize any concerns with USAID

Freight Forwarder

Awardee HQ

USDA

USAID

Ocean Carrier

Freight RFP posted on USAID website

Tech Terms Quick Reference CHART

4.2.4

4.2.5

GO TO 4.3
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

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)

USAID

Freight award finalized

GO TO 4.4
4.0 OCEAN SHIPMENT

4.4 Deliver cargo to U.S. port

Awardee HQ

4.4.1 Notify USDA immediately

Freight Forwarder

NO

Vessel at port according to agreed shipping schedule?

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

Ocean Carrier

START

[4.4.2] Determine disposition of scheduled commodity

USDA

YES

Vessel at port according to agreed shipping schedule?

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

Commodity Vendors

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

4.4.4

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

GOTO 4.5
4.0 OCEAN SHIPMENT

4.5 Load cargo

USDA

START

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

Freight Forwarder

4.5.1

4.5.2
(If containers) Apply desiccant

4.5.3
Load commodities onto vessel

4.5.4
Fumigate vessel

Ocean Carrier

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

Bulk commodity?

GO TO 5.0: Port Operations

NEXT page

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 Prepare discharge and dispatch plans

5.4 Process all necessary clearances

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

5.2.1 Go to 7.3: Receive commodity (at warehouse)

5.2.2 Go Back

Click here for all sub-process tools
5.0 PORT OPERATIONS

5.3 Process all necessary clearances

<table>
<thead>
<tr>
<th>Commodity Management</th>
<th>C&amp;F Agent</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least 1 month in advance of vessel arrival</td>
<td></td>
</tr>
<tr>
<td>5.3.2 Gather required agency and shipping documents from HQ</td>
<td>5.3.3 Apply for customs clearance</td>
</tr>
<tr>
<td>Through bill of lading?</td>
<td></td>
</tr>
<tr>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>5.3.4 Obtain authorization in all transit countries</td>
<td>5.3.5 Obtain health certificates and other clearances from government officials</td>
</tr>
</tbody>
</table>

Go Back

END
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

5.5.9 Go to 5.6

Vessel departs from U.S. port

Vessel Movement GUIDELINES

Local Officials

Independent Surveyor

Commodity Management

C&F Agent
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
  - 5.6.4.10 Arrange and conduct fumigation

**Independent Surveyor**
- 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
    - 5.6.4.6 Complete bulk draft survey, and request calibration report
    - 5.6.4.7 Bag cargo
    - 5.6.4.8 Furnish daily tally totals and other pertinent information about the bagging
    - 5.6.4.11 [Customs Officials] Process bill of entry

**C&F Agent**
- 5.6.4.10 Arrange and conduct fumigation

**Port Authorities**
- 5.6.4.1 Bag cargo
- 5.6.4.11 [Customs Officials] Process bill of entry
- **GO TO 5.8**
5.0 PORT OPERATIONS

5.7 Discharge commodity from vessel

START

Bulk commodity? YES → GO TO 5.7.1

NO

Containerized commodity? YES → GO TO 5.7.2

NO → GO TO 5.7.3
5.0 PORT OPERATIONS

5.7.1 Discharge BULK commodity from vessel

START

5.7.1.1 Verify calibration of intake scales

5.7.1.2 Observe commodity discharge to silo, and record discharging method

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

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

5.7.1.5 Verify cargo holds are empty

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

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

5.7.1.8 Complete bulk draft survey and request calibration report

5.7.1.9 Bag cargo

GOTO 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

C&F Agent

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

Local Officials

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

5.7.2.6 Reseal containers and draft discharge survey

5.7.2.8 Tally actual number of break bulk units removed from container

Containers destuffed at port?

GO TO 7.3: Receive commodity (at warehouse)

GO TO 5.8

GO TO 7.3: Receive commodity (at warehouse)

NO

YES

Ship containers to warehouse

Reseal containers and draft discharge survey

5.7.2.7 Ship containers to warehouse

Tally actual number of break bulk units removed from container

CONTAINERIZED commodity from vessel

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 ➔ GO TO 5.8.2

NO ➔ 5.8.3 Sample unit weight for uniformity

Units underweight?

YES ➔ 5.8.4 Reconstitute

5.8.5 Complete reconstitution report (for reimbursement of cost)

Commodity on a through bill of lading?

NO ➔ 5.8.6 File notice of loss/damage (letter of protest) with ocean carrier

5.8.8 Complete delivery survey report

YES ➔ GO TO 5.9

GO TO 5.9

C&F Agent

Commodity Management

Marine Reconstitution GUIDELINES

Notice of Loss (Letter of Protest) EXAMPLE

Go Back
5.0 PORT OPERATIONS

5.8.2 Commodity looks or smells bad

START

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

Notice of Loss (Letter of Protest) EXAMPLE

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

CONTINUE TO 5.8.3

5.8.2.3 Dispose of commodity in manner agreed upon with USAID

Certification states commodity unfit for human consumption?

Disposal of Unfit Commodity GUIDELINES

NO

YES

Commodity destroyed?

5.8.2.4 Complete certificate of commodity destruction

5.8.2.5 Complete loss report

Certificate of Commodity Destruction TEMPLATE

NO

YES

START

CONTINUE TO 5.8.3

GO BACK
5.0 PORT OPERATIONS

5.9 Dispatch commodity from port

**Start**

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

**C&F Agent**

- 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

**Commodity Management**

- 5.9.7 Issue daily dispatch report to receiving warehouse
- 5.9.8 Complete loss report
- 5.9.9 File claim against port and collect reimbursement

**Discharge survey differs from sum of waybills for all trucks?**

- **Yes**
  - 5.9.8 Complete loss report
- **No**
  - END

**End**
5.0 PORT OPERATIONS

5.10 Complete discharge survey report

**Independent Surveyor**

START

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

---

Reconciled tally > bill of lading?

NO

5.10.3 Request clearance for additional commodity, and arrange additional transport

---

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

---

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

YES

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

---

Reconciled tally < bill of lading?

NO

5.10.6 Complete loss report

---

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

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5.10.8 Submit final discharge (ex-tackle) survey report

---

5.10.9 Promptly initiate claims against ocean carrier for damage/loss

---

END

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Marine Loss Claim GUIDELINES

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Next page

Go Back
5.0 PORT OPERATIONS

5.10.9 Promptly initiate claims against ocean carrier for damage or loss

START

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

Awardee HQ

Commodity Management

Independent Surveyor
6.0 TRANSPORT

**Logistics**
- 6.1 Determine transport needs

**Commodity Management**
- 6.2 Prepare tender(s)
- 6.3 Award contract(s)

**Program Management**
- 6.4 Administer contract(s)

Click here for all sub-process tools
6.0 TRANSPORT

6.1 Determine transport needs

**Procurement**

6.1.1 Map storage and distribution points

**Logistics**

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

**Commodity Management**

6.1.1 Map storage and distribution points

**Program Technical Sectors**

START

GOTO 6.2
6.0 TRANSPORT

6.2 Prepare tender(s)

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

Transport Services Tender for Bid EXAMPLE

GO TO 6.3
6.0 TRANSPORT

6.3 Award contract(s)

- **START**

**Procurement**
- 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
- 6.3.5 Distribute contracts to relevant parties

**Commodity Management**
- Transport Contract EXAMPLE

**Logistics**
- 6.3.4 Finalize contracts
- 6.3.6 Conduct briefing meeting with all contracted transporters

Go Back
6.0 TRANSPORT

6.3.1 Collect and record submitted bids

- **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
7.0 WAREHOUSING

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

**Commodity Management**
- 7.3 Receive commodity
- 7.4 Maintain commodity in good condition
- Commercial processing required? (YES/NO)
  - YES
    - 7.5 Process commodities into different end products (e.g., flour)
  - NO
    - 7.6 Dispatch commodity

**Warehouse Management**
- Go to 8.0: Distribution

**Casual Labor**
- Click here for all sub-process tools

Commodity Dispatch GUIDELINES
Dispatch Authorization TEMPLATE
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

**Commodity Management**

**Program Management**

**Procurement**

**Driver Timesheet TEMPLATE**

**Warehouse Daily Report TEMPLATE**

**Warehouse Equipment and Supplies CHECKLIST**

**Warehouse Selection CHECKLIST**

**Warehouse Contract TEMPLATE**

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

**Select and contract warehouse**

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

**Hire/contract adequate security for warehouse premises**

**Purchase equipment, supplies, and reconstitution materials**

**Establish standard operating procedures (SOP) for commodity receipt and dispatch**
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
7.0 WAREHOUSING

7.3 Receive commodity

Warehouse Management

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

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

Warehouse Daily Report TEMPLATE
7.0 WAREHOUSING

7.3.1 Prepare for receipt of commodity

START

7.3.1.1 Lay out pallets

7.3.1.2 Clean area around warehouse and compound

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

END

Warehouse Storage Capacity for Commodities GUIDELINES

Casual Labor Recording TEMPLATE
7.0 WAREHOUSING

7.3.2 Inspect and count commodity

**START**

7.3.2.1 Inspect trucks as they arrive

7.3.2.2 Conduct inspections

Vehicle Inspection CHECKLIST

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

Vehicle Inspection CHECKLIST

Commodity Tally Sheet TEMPLATE

Commodity Random Weight TEMPLATE

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

Commodity looks or smells bad?

YES

GO TO B.1: Commodity quality issues

NO

Packaging damaged or units underweight/overweight?

YES

GO TO B.2: Reconstitution

NO

Tally sheet quantity < waybill quantity

YES

GO TO B.4: Discrepancy with waybill

NO

7.3.2.5 Sign waybill

7.3.2.6 Complete delivery survey (if TB/L)

END

Go Back
7.0 WAREHOUSING

7.3.3 Account for commodity received

START

7.3.3.1 Stack commodity according to requirement standards

7.3.3.2 Conduct physical count

7.3.3.3 Complete stack cards

Commodity Stack Card TEMPLATE

7.3.3.4 Update warehouse ledger

Warehouse Ledger TEMPLATE

7.3.3.5 Prepare casual laborer payment sheets, and submit to Finance

Casual Labor Recording TEMPLATE

END
7.0 WAREHOUSING

7.4 Maintain commodity in good condition

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

- **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.

- Commodity Damage Control GUIDELINES
- Warehouse Cleaning Plan TEMPLATE
- Warehouse Fire Prevention and Control CHECKLIST
- 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
        - YES: Notify pest/rodent control service
          - GO TO B.2: Reconstitution
    - YES: Notify fumigation service
      - GO TO B.2.2: Reconstitution
      - **GO TO B.1: Quality issues**
  - YES: **GO TO B.2.1: Notify fumigation service**

**Warehouse Management**

- **Containers are damaged?**
  - NO: END
  - YES: Commodity looks or smells bad?
    - NO: END
    - YES: **GO TO B.1: Quality issues**

**Casual Labor**

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

**Overview of Phosphine Fumigation Management Plan TEMPLATE**

- **Indication of rodents?**
  - NO: **Containers are damaged?**
    - NO: END
    - YES: Commodity looks or smells bad?
      - NO: END
      - YES: **GO TO B.1: Quality issues**
  - YES: Notify pest/rodent control service
    - GO TO B.2.2: Reconstitution
    - **GO TO B.1: Quality issues**

- **If necessary, restack commodity**
  - NO: END
7.0 WAREHOUSING

7.5 Process commodity into different end product

- **Procurement**
  - **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

- **Commodity Processors**
  - **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**
7.0 WAREHOUSING

7.6 Dispatch commodity

---

Logistics

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

---

Commodity Management

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

7.6.6 Generate monthly report

---

Casual Laborers

END

---

Note: Dispatch authorization/distribution plan received.

ONGOING
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

Go Back
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

Vehicle Inspection CHECKLIST

7.6.3.3 Load commodity

Commodity Tally Sheet TEMPLATE

7.6.3.4 (With transporter) Tally commodity as it is loaded

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

7.6.3.6 Verify truck is loaded properly

7.6.3.7 Prepare casual laborer payment sheets and submit to Finance

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
8.0 DISTRIBUTION

Program Management

Commodity Management

Distribution Team

Local Stakeholders

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

Recipient Registration GUIDELINES

8.2 Plan before every distribution

8.3 Receive commodities at distribution site

Food Distribution Gender GUIDELINES

8.4 Set up distribution site

Distribution Site Set-Up CHECKLIST

8.5 Distribute commodity

Distribution Procedures GUIDELINES

8.6 Report on distribution

END

START

Click here for all sub-process tools
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
8.0 DISTRIBUTION

8.3 Receive commodities at distribution site

**Commodity arrives 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

**Local Stakeholders**

Tally matches quantity stated on waybill?

YES

8.3.3 Sign waybill

NO

8.3.4 Set up commodity for distribution or move to (and record in) site storage

END
### 8.0 DISTRIBUTION

#### 8.4 Set up distribution site

<table>
<thead>
<tr>
<th>Distribution Team</th>
<th>8.4.1 Assemble distribution materials</th>
<th>8.4.2 Arrange site, ensuring minimum standards and donor branding compliance</th>
<th>8.4.3 Set up feedback/complaint mechanism</th>
<th>END</th>
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<tr>
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<td>START</td>
<td>USAID Branding and Marking GUIDELINES</td>
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<tr>
<td>Local Stakeholders</td>
<td>Distribution Site Set-Up CHECKLIST</td>
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</table>
8.0 DISTRIBUTION

8.5 Distribute commodity

**Distribution Team**

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

**Local Stakeholders**

8.5.6 Quantities reconcile? YES

8.5.7 Dispose of empty containers per established procedures

8.5.6 Record any undistributed commodity on site storage stack card, or prepare return waybill and return to dispatching warehouse

8.5 Go Back
8.0 DISTRIBUTION

8.6 Report on distribution

Program Management

8.6.1 Prepare distribution report

8.6.2 Approve distribution report

8.6.3 If possible, debrief community on distribution

8.6.4 Make recipient projections for next distribution period

END

Distribution Team

Distribution is completed

Distribution REPORT TEMPLATE

END

Go Back
9.0 FOOD DISTRIBUTION MONITORING

Program Management

9.1 Procure monitoring equipment and materials

Commodity Management

9.2 Train monitors

Program Monitoring Team Leader

9.3 Finalize monitoring schedule

Program Monitoring Team Monitors

9.4 Per schedule, collect data at distribution sites

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

9.6 Synthesize completed questionnaires and produce monitoring report

9.7 Process community feedback and complaints on distribution process

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

Local Stakeholders

Click here for all sub-process tools
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?

NO

9.3.5 Verify logistics to implement schedule

YES

9.3.3 Share schedule with community committee

9.3.4 Assign community roles and responsibilities

END

Next page
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

9.4.5 At end of distribution, reconcile commodity distributed with distribution list

9.4.6 Reconcile undistributed commodity and, if applicable, empty bags/tins

Local Stakeholders

Go Back
9.0 FOOD DISTRIBUTION MONITORING

9.6 Synthesize completed questionnaires and produce monitoring report

- **9.6.1** Submit completed monitoring questionnaires to team leader

- **9.6.2** Enter monitoring data into electronic system

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

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

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

END
10.0 CLOSE-OUT

Distribution Team

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

COP

10.1
Prepare for close-out

15 months before EOP

10.2
Produce commodity section of close-out plan

10.3
Develop and submit close-out plan

Program Management

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)

Commodity Management

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

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

Go Back

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

10.1 Prepare for close-out

**COP**

10.1.1 Determine when to stop recipient registration (by activity)

10.1.2 Determine final sales order and distribution dates

10.1.3 Develop final AER and CP

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

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

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

**Program Management**

**Commodity Management**

**START**

**END**

Go Back
10.0 CLOSE-OUT

10.2 Produce commodity section of close-out plan

Commodity Management

START

10.2.1 Review and reconcile all relevant commodity documents

Program Management

10.2.2 Inventory commodity assets and reconcile with original documents

10.2.3 Reconcile ITSH line items (with Finance)

10.2.4 Report all documents that do not reconcile to COP and, depending on the document, to USAID

10.2.5 If excess commodity, develop commodity disposition plan

10.2.6 Develop plan to close all service provider contracts (with Finance)

10.2.7 Develop staff realignment/termination plan (with HR)

10.2.8 Plan for unspent ITSH

END
10.0 CLOSE-OUT

### 10.3 Develop and submit close-out plan

**Program Management**
- **START**
- 10.3.1 Gather and organize relevant documents (per A133)
- 10.3.2 Update inventory lists and disposition plans
- 10.3.3 Prepare draft close-out plan
- 10.3.4 Conduct workshop with all recipient agencies to review/negotiate plan and identify risks
- **END**

**COP**
- 10.3.5 Finalize and submit draft plan to Awardee HQ
- **Issues?**
  - **YES**
    - 10.3.9 Address issues and resubmit
  - **NO**
    - 10.3.8 Send issues letter to Awardee HQ

**Awardee HQ**
- 10.3.6 Approve and submit to FFP/W and mission
- **Issues?**
  - **YES**
    - 10.3.9 Address issues and resubmit
  - **NO**
    - 10.3.10 Send approved plan to Awardee

**USAID/FFP**
- 10.3.7 Acknowledge receipt within 1 week and review
- 10.3.8 Send issues letter to Awardee HQ
- 10.3.9 Address issues and resubmit
- 10.3.10 Send approved plan to Awardee
- 10.3.11 Disseminate plan to all partners
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

**Commodity Management**

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

**Program Management**

- **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

**Sound commodity balance anticipated?**

- **YES**

- **NO**

**Asset Inventory Disposition TEMPLATE**

**START**

Next page
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

- Internal Audit
- COP
- Program Management
- Commodity Management
- Warehouse Management
- MIS/Monitoring Team

**Donor Approval CHECKLIST**

**Commodity Reporting Process GUIDELINES**

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

A.2 Establish internal control systems

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<td>A.2.1 Establish commodity warehouse internal control system</td>
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<td>A.2.2 Establish commodity distribution internal control system</td>
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<td>A.2.3 Establish standard procedures for handling commodity loss</td>
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Warehouse Oversight and Control CHECKLIST

Distribution Oversight and Control CHECKLIST
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.2.1 Establish commodity warehouse internal control system

- **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)

Program Management

Commodity Management

- ** Dispatch Authorization TEMPLATE **
- ** Warehouse Documents CHECKLIST **
- ** Warehouse Access and Key Control CHECKLIST **
- ** GACAP Summary **
- ** Warehouse Ledger TEMPLATE **
  - Commodity Stack Card TEMPLATE
  - Waybill TEMPLATE
  - Commodity Loss Report TEMPLATE
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.2.2 Establish distribution internal control system

COP

Program Management

START

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

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

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

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

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

END

MIS/Monitoring Team

Commodity Management
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.2.3 Establish standard procedures for handling commodity loss

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>A.3 Implement quality oversight activities</th>
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**Internal Audit**

- **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

**Program Management**

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

**Commodity Management**

- **Ongoing**

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

A.3.3 Monitor operational environment

Program Management

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

Commodity Management

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

USAID

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

Pre-approved commodity available and acceptable?

YES

NO

Market Assessment Reporting TEMPLATE

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

Ongoing
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

- Warehouse Inspection Report TEMPLATE

A.3.5.2 Conduct quarterly independent physical inventory of all commodity

- Warehouse Physical Inventory GUIDELINES

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

- Distribution Monitoring Performance CHECKLIST

A.3.5.5 Periodically review food distribution monitoring process

Commodity Management

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

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

A.3.5.8 Periodically review transport contracts and performance

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

START

ONGOING
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.3.5.2 Conduct quarterly physical inventory of all commodity

Program Management

START

A.3.5.2.1 Count commodity

A.3.5.2.2 Reconcile records (if necessary between warehouses)

Count matches accounting records?

NO

GO TO B.3

YES

END

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

A.4 Submit required commodity reports

Program Management

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

Commodity Management

- A.4.2 Prepare periodic warehouse status reports
- A.4.3 Enter quarterly Commodity Status Report (CSR), Recipient Status Report (RSR), and (if any loss during quarter) Loss Summary Report (LSR) into QWICR
- A.4.4 Enter quarterly Damage or Misuse Commodity Report (DMCR) into QWICR for any loss that exceeds $500

Warehouse Management

- A.4.5 Submit PREP (recurs annually)

Creating a PREP Guidance 2015
PREP Process GUIDELINES for Commodity Managers
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

A.4.5.3 Complete AER and commodity pipeline

Commodity Pipeline Analysis TEMPLATE

Revisions to program plan?

NO

YES

A.4.5.4 Submit TA modification request to FFP

A.4.5.5 Approve TA modification request

A.4.5.6 Sign TA modification

A.4.5.7 Submit PREP (in FFPMIS)

A.4.5.8 Approve PREP

END

Commodity Management

FFPMIS RESOURCES

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

FFPIB 18-02 Eligible Uses of ITSH for FFP Awards

USAID/FP

COP

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

- Loss value less than $500?
  - NO
  - Recording loss in QWICR
    - B.7 Requesting a waiver from USAID?
      - NO
      - YES
      - Awardee is liable?
        - NO
        - B.8 Upload supporting documents in QWICR, and get concurrence from USAID
      - YES
      - B.9 File a claim against responsible third party
        - Third party reimburses?
          - NO
          - YES
          - Pursue claim against third party
        - YES
        - B.11 Pursue claim against third party
          - END
          - B.10 Reimburse CCC according to SOP
          - B.12 Close claim
            - END

Warehouse Management or Distribution Team

- Complete loss report, and reconcile commodity ledger
  - B.6

Click here for all sub-process tools

Commodity Loss Report
TEMPLATE
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?

NO

Commodity is certified fit for other use?

NO

Commodity is certified unfit for any use?

YES

GO TO B.1.5

YES

GO TO B.1.4

Units full weight?

NO

GO TO B.2

YES

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

END

Go Back
B.0 INTERNAL LOSS

B.1.4 Commodity is certified fit for other uses

Commodity Management

START

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

Is sale possible?

NO

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

YES

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

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

CAUTION: Specific testing is needed to certify commodity is fit for animal consumption.

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

GOTO B.6
B.0 INTERNAL LOSS

B.1.5 Commodity is certified unfit for any use

Commodity Management

START

B.1.5.1 Obtain approval from required local authorities

B.1.5.2 Determine destruction method

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

B.1.5.4 Assemble witnesses, including representative of local authorities

B.1.5.5 Destroy commodity

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

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

Program Management

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

GOTO B.6
B.0 INTERNAL LOSS

B.2 Commodity packaging units are underweight

START

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

B.2.2 Assemble reconstitution materials and casual laborers

B.2.3 Follow established controls

B.2.4 Open packaging and inspect commodity quality

B.2.5 Fill units to standard weight and reseal

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

B.2.7 Produce report

CONTINUE TO B.6

Commodity Reconstitution Report TEMPLATE
B.0 INTERNAL LOSS

B.3 Possible misappropriation of commodity

- **Commodity Management**
  - **START**
  - B.3.1 Inform USAID, and conduct internal investigation
  - Internal irregularities found (misuse, unauthorized distribution, theft by staff)?
    - **YES**
      - B.3.2 Follow Awardee SOP
    - **NO**
      - B.3.3 File police report
  - **CONTINUE TO B.6**

- **Program Management/COP**
  - B.3.4 Inform USAID, and follow their recommendations

---

Go Back
B.0 INTERNAL LOSS

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

<table>
<thead>
<tr>
<th>Commodity Management</th>
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<tbody>
<tr>
<td>B.4.3 Attach copy of waybill to claim for collection submitted to transporter per signed contract</td>
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<td>B.4.1 Record shortage on waybill</td>
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<td>B.4.2 Obtain signature on waybill from transporter/truck driver to acknowledge shortage</td>
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Go Back
## B.0 INTERNAL LOSS

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

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B.0 INTERNAL LOSS

B.9 File a claim against responsible third party

START

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<tr>
<th>B.9.1 Establish a claim file and add claim info to loss claim register</th>
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<td>B.9.2 Send claim letter for value of commodity to responsible party</td>
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<tr>
<td>B.9.3 Make reasonable attempts to collect claim</td>
</tr>
<tr>
<td>B.9.4 Upload copies of all follow-up claim letters and other relevant claim information in QWICR</td>
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Cost to pursue legal action higher than cost of claim? NO

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<td>B.9.5 Initiate legal action if necessary</td>
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| 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