

**INSTRUCTIONS FOR
FOOD & NUTRITION
H1526 ANNUAL INVENTORY REPORT (USDA FOODS)**

This form is used to track USDA Foods inventories of contracting entities (CEs) that contract with the Texas Department of Agriculture (TDA) to receive the USDA Foods.

Name of Contracting Entity (CE) – Enter the name of the CE contracted with TDA.

CE ID – Enter the Contracting Entity Identification Number assigned by TX-UNPS. If the number is not known, leave blank.

Date of Physical Inventory – Enter the date on which the physical inventory of USDA Foods on hand is completed.

Notes:

- Storage sites to be inventoried for USDA Foods include those located on your own premises and/or at off-site, commercial facilities. EXCEPTION: A physical inventory of USDA Foods in “private storage” with a TDA contracted warehouse is not required; instead, report the amount of USDA Foods reported by the contracted warehouse in its latest weekly bulletin.
- TDA recommends that CEs, for their own records, submit Form H1526 for each storage site; however, CEs must submit a single Form H1526 that includes the total amount of all Form H1526 used for separate storage sites. The information must be compiled and reported on one form.
- Include the book inventory of the USDA Foods (using the “perpetual inventory” and other available records) that are on the premises of processors and/or food service management companies on Form H1526. A book inventory, as required by your TDA Agreement, is a daily accounting of USDA Foods that are added to or removed from storage.

USDA Food – List each USDA Food in inventory.

Where is Food Stored – Enter the applicable code or codes listed at the end of the form: “CE” for on-site premises of the CE, “CD” for a commercial distributor(s) or commercial warehouse(s); “P” for a processor(s), “FSMC” for a food service management company, or, if applicable, a non-profit organization employed to provide a food service, and “FB” for food bank.

Oldest Date Received – Enter the earliest date on which a USDA Food, listed as on hand, was received.

Most Current Date Received – Enter the most recent date on which a USDA food, listed as on hand, was received.

Book Inventory Count – Record the balance of each USDA Food, as established from book inventory records.

Gains (Physical Count Exceeding Book Amount) – If applicable, enter the physical inventory USDA Food amount (in full cases, bales, and boxes) that **exceeds** the book inventory amount. A USDA Food amount, as determined by the physical inventory, minus the book inventory amount, is a USDA Food “gain.”

If the physical inventory does not exceed the book inventory amount, leave blank.

Losses (Book Amount **Exceeding** Physical Count) – If applicable, enter the physical inventory USDA Food amount (in full cases, bales, and boxes) that is **less than** the book inventory amount. When the book inventory amount of a USDA Foods exceeds the amount determined by the physical inventory, the difference in amount is a USDA Food “loss.”

If the inventory amount does not exceed the physical inventory amount, leave blank.

NOTE: When a USDA Food “loss is entered on the Annual Inventory Report, also complete and attach a Form H1638 that was previously submitted to report the loss. TDA will determine liability for the loss according to the *Food Distribution Handbook*, Section 8000. **An Annual Inventory Report reporting a USDA Foods loss, to which a new Form H1638 or photocopy of a previously submitted Form H1638 is not attached, will be returned to the CE.**

Number of Months Supply on Hand – For each USDA Food on hand, as reported on Form H1526, enter the number of months the available supply is expected to meet the needs of the CE for that USDA Food. A CE may use any reasonable method to determine the number of months for which a USDA Foods supply will be sufficient, including historical and/or projected information.

More than Six Months Supply? (Y/N) – Circle “Yes” if the amount of a USDA Food exceeds a six-month supply. You must attach an explanation as to what corrective action you will take to reduce the excess inventory, including the date by which the excessive amount will be depleted. Additionally, you must justify any orders of the USDA Food during the current year. Please refer to the *Food Distribution Handbook*, Section 8000, for additional information on reducing excessive inventories. **Annual inventories reporting excess USDA Foods, without attached plans to reduce the excess, will be returned to the CE.**

Circle “No” if the amount of a USDA Food on hand is less than a six-month supply.

Options for Depleting Excess Supply – This column provides two examples for reducing an excessive supply of USDA Foods. The CE is not limited to these options.

Signature - An Authorized Representative of the CE, authorized on Form FND-101, Certificate of Authority for External Users, must sign and date the form. Provide telephone and fax numbers with area codes for contact information.

TDA Use Only – Do not write in this space. This information is completed by TDA.

SUBMISSION

Submit to TDA using **one** of the following methods:

Email to: CommodityOperations@TexasAgriculture.gov

Fax to: 888-203-6593

Mail to:

Texas Department of Agriculture
Food and Nutrition
Attn: Commodity Operations
P.O. Box 12847
Austin, Texas 78711-2847

Overnight to:

Texas Department of Agriculture
Food and Nutrition
Attn: Commodity Operations
1700 North Congress Avenue, Suite 1125E
Austin, Texas 78701-1496