



Food Distribution National Policy Memorandum

United States
Department of
Agriculture

Food and
Nutrition
Service

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Alexandria, VA
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DATE: March 28, 2006
POICY NO.: FD-054: State Processing
SUBJECT: Monthly Performance Report Correction

This is to clarify the appropriate actions a processor must take when errors are discovered on monthly performance reports.

The Food Distribution regulations 7 CFR 250.16 require that the State keep complete and accurate records. Some States have interpreted the regulation to mean that there is no tolerance for any error on any report. Hence, some States have required processors with errors in a past report to correct that report and any subsequent report that would have carried the identified error forward to the discovery of the error. Correcting the recorded error is paramount; however, this process is burdensome and unnecessary to render accurate and complete reporting. Therefore, the following policy and correction procedure has been issued for instances where errors in past monthly performance reports have been identified.

As long as the identified error is adjusted on the current monthly performance report or the subsequent monthly performance report, States will not be held liable for errors that have been carried forward through multiple monthly performance reports. A memorandum from the processor explaining the adjusted entry must be attached to the report where the adjustment occurs.

The memorandum should explain the adjustment, what caused the error and include: the month the original error occurred, the entry/entries on the report that were improperly reported, the month/months that are affected by the reporting error, and any other pertinent information. Where errors are occurring routinely, a corrective action plan should also be included in the memorandum.

FNS will not require that the processor go back to amend all of the affected performance reports and resubmit those amended reports to the State. The adjusted entry and the memorandum detailing the adjustment are sufficient documentation to render the inventory report accurate and complete.

Cathie McCullough
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