 CARE Food Manual (CARE , 1998, 355 p.)

➔  **Chapter 10 - Inventory Accounting and Reporting**

 **(introduction...)**

 **I. Recording Measures - Units and Weights**

 **II. Warehouse Inventory Accounting Vs. Commodity Financial Accounting**

 **III. Personnel**

 **A. Ports**

 **B. In-Country Warehouses**

 **IV. Maintaining Warehouse Inventory Ledgers**


 **(introduction...)**

 **A. Source Documents for Ledgers**

 **B. Warehouse Inventory Ledger**

 **C. Guidelines for Preparing Warehouse Inventory Ledgers**

 **D. Warehouse Inventory Reporting Period**

 **E. Recording Transactions - Ledger Format And Examples**

 **(introduction...)**










 **1. Transactions at the Port**

 **2. Transactions at an In-Country Warehouse**

 **V. Preparing Stack Cards**

 **VI. Filing Documents**

 **VII. Physical Inventories**

- **VIII. Reporting**
 - **A. Commodity Status Report (CSR)**
 -  **(introduction...)**
 -  **1. Monetization**
 - **2. Guidelines for Preparation**
 -  **(introduction...)**
 -  **a. Consolidation of CSRs**
 -  **b. Sample CSRs**
 -  **B. Quarterly Consolidated Report on Food Resources**
 -  **C. Reporting Periods**
 -  **D. Filing and Submission**
 -  **E. Other Reports**

CARE Food Manual (CARE , 1998, 355 p.)

Chapter 10 - Inventory Accounting and Reporting



Figure

Warehouse inventory accounting applies to food stored at Port Authority warehouses, CARE, counterpart or contracted warehouses, and all movements of food into and out of these warehouses. This chapter covers the time shippers turn over custody and control of food to CARE at ports to the receipt by a distribution site.

I. Recording Measures - Units and Weights

The best warehouse accounting system uses a minimum number of documents to account for food while providing useful information for management and staff. CARE uses a perpetual inventory system in which a continuous record is kept of the amount of food in units or fractions of units. The weight of each unit is known and can be used to calculate the total weight. For example, if there are ten and one half bags of wheat in a warehouse and each bag weighs 50 kgs., there is a total of 525 kgs. of wheat.

Because there are differences in equipment available to accurately weigh food inventory, this manual emphasizes counting bags and containers of food by whole units. It is assumed that the weight per unit stated on the original Bill of Lading is accurate to within

two percent. For example, a 50 kg. bag may be 49, 50 or 51 kgs., and still be considered one whole unit.

However, anytime bags or containers are suspected of being below or above the two percent weight tolerance, CARE port or warehouse staff, clearing and forwarding agents or counterpart staff must weigh bags and containers. See Port for guidance on weighing. Rebag to assure proper weight and fill out a Loss and Adjustment Report as required.

While ledgers usually show total units, there will be cases where a few bags and containers of food are only partially filled. In these cases, record the weight of the partially filled bag or container. For example, if the B/L weight is 50 kgs/bag, but there are 1½ bags after repackaging, record 1 bag and 25 kilos in the ledger. See Food Receipt and Dispatch and the Warehouse Inventory Ledger below which has columns for units and kgs.

II. Warehouse Inventory Accounting Vs. Commodity Financial Accounting

***Warehouse inventory accounting* tracks units of food, such as bags of grain or cartons of oil. Each warehouse keeps records that show stock movements, losses and balances at the warehouse. Regional and country offices maintain summary warehouse inventory records that show total warehouse inventory balances.**

***Commodity financial accounting* also tracks food by units, but also assigns a monetary value to the units. While warehouse accounting is the inventory system for the individual warehouse, commodity financial accounting is the inventory system of the overall organization. Commodity accounting acts as a check on the warehouse inventory system, and places a total dollar value on all food program assets in inventory in a country.**

	Warehouse Inventory Accounting	Commodity Accounting
--	--------------------------------	----------------------

Measures:	Units - includes bags and containers for oil Weight - for partially filled units	Units and financial value of units Weight and financial value of weight
Scope:	For individual warehouse	For the whole organization
Reporting period:	Continuous record and monthly and quarterly reports	Monthly and year-end reports
Responsible:	Warehouse manager, storekeeper or inventory accountant	Financial accountant
Sources of information:	Bills of Lading Survey report Waybills Stack cards Loss and Adjustment Reports Distribution Plans Warehouse inventory ledgers Physical counts by warehouse managers	Bills of Lading Survey reports Waybills Stack cards Loss and Adjustment Reports Distribution Plans Commodity financial ledgers Physical counts by financial managers

Given the high monetary value of food programmed by CARE and the need to use sound commercial practices in managing this asset, it is important to keep commodity financial accounting separate from warehouse inventory accounting. Having two separate entities with opposing interests makes collusion more difficult and sets up a system of checks and balances. Just as a bank account holder maintains a check register and compares his own balance with the balance shown on the bank statement, the commodity financial accountant compares commodity inventory records with the warehouse inventory records to detect errors and discrepancies.

Reference ALMIS # 4496 - Inventory Food Commodities with attached *Commodity Accounting Manual* sections on Reconciliation of Commodity Inventory Ledgers. This *Inventory Accounting and Reporting* chapter and the *Commodity Accounting Manual* have been written to complement each other, and examples used in both manuals are similar.

Each location where CARE, a port authority or counterpart holds food is equivalent to a bank where "cash" is kept. For example, food is deposited in the first "bank account" when it is received at port. It then is transferred from the port bank account to a second bank account, usually a primary warehouse. The food may then be transferred to a third bank account, which may be a secondary warehouse, and then finally to a store at a distribution site.

Certain properly authorized documents are required to receive or dispatch food from a warehouse. Just as banks keep records that reflect all deposits and withdrawals as well as the account balance, warehouses must keep similar records.

Comparison of Banking and Warehouse Accounting Terms

Bank term	Equivalent to	Warehouse accounting term
Bank		Food storage area, such as a warehouse
Deposit slip		Bill of Lading and Waybill - Receipt Information Section
Check		Waybill - Dispatch Information Section
Bank debit/credit memo		Loss and Adjustment Report
Bank statement		Warehouse inventory ledger
Bank reconciliation (reconciles balance per		Warehouse reconciliation (reconciles

bank statement with balance per account
holder's check register)

physical warehouse balance with
warehouse inventory ledgers)*

*** For purposes of this manual warehouse reconciliations are done by warehouse managers or storekeepers. Country offices or counterparts must assure that reconciliations are done on a regular basis. In emergency settings, daily reconciliations may be required, however in more stable programs monthly or quarterly reconciliations may be sufficient.**

Internal Control

Warehouse reconciliations listed in the warehouse accounting terms column are internal reconciliations required for on-going management of the asset. These reconciliations, however, do not substitute for independent reconciliations set forth in the *Commodity Accounting Manual* attached to ALMIS #4496.

III. Personnel

A. Ports

For transactions at ports (discharges from ships and direct dispatches from ships or dispatches from port warehouses), warehouse inventory accounting staff will usually be located at the country or regional offices or at port cities. Working with independent surveyors, CARE staff may record transactions or they may have their clearing and forwarding agents maintain ledgers for port transactions.

B. In-Country Warehouses

The number of warehouse inventory accounting staff depends on the size of the warehouse. In a small or medium-sized warehouse, the storekeeper may maintain the

stack cards and the warehouse inventory ledgers. In a large warehouse, a storekeeper may assign assistant storekeepers to record transactions on stack cards or in inventory ledgers, while maintaining overall management responsibilities. For even larger programs, including emergencies, warehouse managers with assistants may be responsible for a number of warehouses and storekeepers in a city or region, or a compound with many pre-fabricated warehouses (Rubb Halls).

CARE Tanzania Example

In the Ingara Rwanda refugee camp in Tanzania, CARE Tanzania's warehouse manager is responsible for approximately sixteen warehouses (Rubb Halls) located within a fenced compound. The warehouse manager maintains a separate office within the warehouse compound. A warehouse accountant maintains the warehouse inventory ledgers for all sixteen warehouses. Previously each storekeeper maintained warehouse inventory ledgers for his/her warehouse, in addition to the ledgers maintained by the warehouse accountant. Since this was a duplication of information, the warehouse manager discontinued the practice. Daily, the warehouse accountant and each warehouse storekeeper reconcile balances between the warehouse inventory ledger and the stack cards within each warehouse. Also copies of distribution plans and waybills are available as source documents. By eliminating one set of ledgers and doing a daily reconciliation, less staff time is devoted to achieving the same result--maintaining proper warehouse accounting records.

IV. Maintaining Warehouse Inventory Ledgers

Warehouse inventory ledgers are required for each individual shipment of food which arrives in country (a shipment number usually is assigned by the country office) and for each type of food. All transactions related to the receipt, dispatch or loss of food are recorded in these ledgers.

A. Source Documents for Ledgers

- Maintain two types of warehouse inventory ledgers--one for good food (includes original bags or containers and repackaged) and one for food suspected or declared to be unfit for human consumption. Maintaining two ledgers permits easier reconciliations among warehouse inventory ledgers, commodity financial ledgers and physical counts.
- Maintain ledgers by shipment number, donor and food type. For instance, if wheat from three separate shipments is stored in the warehouse, maintain three separate ledgers even though the wheat comes from the same donor.

Recording - Generally

- Record entries in whole units. If some bags are only partially filled, record the weight. If there are 1 ½ bags with a standard bag weight of 50 kilos, record 1 bag and 25 kilos.
- Update ledgers daily so that balances are available and losses will be detected.
- Close ledgers at the end of each month. Country offices and counterparts should coordinate closure of ledgers with commodity financial accountants.
- Carry forward the opening balance from the previous month's ending balance. If there is no ending balance for the previous month, the opening balance is zero.

Recording Receipts and Dispatches in Port Ledgers

- Enter receipts in the Receipts column of the ledger from the quantity listed on B/L. B/Ls list the number of units shipped. If food is shipped in bulk, divide the total weight of the food by the unit weight of the bags accompanying the bulk shipment to get number of bags.
- Add up totals of food received short or in damaged packages (includes unfit) during discharge from ships at port and enter totals in the Pending column of the ledger. The independent survey

report is the source document for this marine loss information.

- Enter units and weights in the Dispatch column of the ledger from the "Total Units" column of the "Dispatch Information" section of the waybill. Use the independent surveyor's delivery survey, when available, as additional supporting documentation.

Recording Receipts and Dispatches in In -country Warehouses

- For arrivals in warehouses, record in the Receipts column of the ledger the units and weight listed in the Total Dispatch line of the waybill.
- Enter units and weight of damaged packages in the Pending column of the ledger.
- For dispatches from warehouses, enter units and weights in the Dispatch column of the ledger from the "Total Units" column of the "Dispatch Information" section of the waybill.
- Enter returns of any dispatches to warehouses as a negative number in the Dispatch column.

Loss and Adjustment Reporting

- Fill out Loss and Adjustment Reports whenever a loss or excess of food is discovered. Generally, the best method is to reconstitute the food into new bags or containers first, then describe the nature and extent of damages.

Ports

- Fill out a Loss and Adjustment Report for all marine losses at port. The independent survey report is the support document and it should be referenced or attached to the Loss and Adjustment Report.
- Fill out a Loss and Adjustment Report for losses occurring between the time food is discharged

from a ship, placed in port warehouses and then dispatched from the port warehouse to an in-country warehouse. The discharge (ex-tackle) and delivery survey reports should be used as supporting documents and referenced or attached to the Loss and Adjustment Reports.

In-country warehouses

- Fill out Loss and Adjustment Reports for transit losses when food is dispatched between warehouses and/or distribution sites, enter the amount of loss in the Pending column of ledger and submit the report for approval.
- Fill out Loss and Adjustment Reports for losses discovered in warehouses, enter the amount of loss in the Pending column of ledger and submit the report for approval.
- Fill out Loss and Adjustment Reports for any food declared unfit for human consumption by a public health officer or other authorized officials, enter the amount of loss in the Pending column of ledger and submit the report for approval.
- Submit Loss and Adjustment Reports to a person authorized by the CARE country office or counterpart to approve these reports. Once approved, copies of reports should be returned to the warehouse manager or storekeeper who prepared the report.
- Use a negative entry to remove losses from the Pending column of the ledger and enter the amount in the Loss column of the ledger.
- Remove the loss from the Pending column, upon approval, and enter the amount in the Receipts column of the ledger for unfit food.
- Balances in the Pending column represent amounts for which authorized Loss and Adjustment Reports have not been approved.

D. Warehouse Inventory Reporting Period

Warehouse managers or storekeepers must take physical inventory and prepare Commodity Status Reports at least once a month. In order to assure consistency in commodity reporting, follow the same monthly reporting periods used for financial accounting. See CARE Finance's *Commodity Accounting Manual* and *Overseas Finance Manual* for detailed information.

The fiscal year ending 30 June contains 12 reporting periods plus one end of year adjustment period. The twelve reporting periods end on the 25th of each month for country offices, except for the month of June, when it ends on the 30th. The country director sets the end date of the reporting period for suboffices. When setting this date, allow sufficient time for the transmittal of data to the principal country office. For example, if a country office has suboffices outside the capital where the principal office is located, the country director determines that the suboffices will determine their commodity inventory balances as of the 20th of each month. The data is submitted to the principal office in time for the close of the reporting period on the 25th. See *CARE Overseas Financial Manual* for additional information regarding reporting periods.

E. Recording Transactions - Ledger Format And Examples

This section provides the basic warehouse inventory ledger format and examples of how to enter transactions. It begins with the arrival of food at the port and continues through dispatches to distribution sites, including specific transactions, summary tables which analyze receipt, dispatch and loss/damage information, and actual entries into warehouse inventory ledgers. The summary tables set out in this section are for illustrative purposes only.

While the examples below show transactions taking place nearly all at the same time, there often will be delays in making entries in ledgers because of distances and slow communications.

1. Transactions at the Port

1. Discharge from ship

- 27 October -- A ship with Bill of Lading #576 carrying 6,000 bags of CIDA wheat arrives at port. Shipment #3054 is assigned to the shipment by the CARE country office.
- A total of 5,900 bags are discharged from the ship, including 30 torn and leaking bags and five bags which are stained and appear unfit for human consumption.
- The 30 torn and leaking bags are reconstituted into 25 bags of food.
- 28 October -- Four of the five damaged bags are declared unfit for human consumption by an official of the Health Ministry. One bag is declared fit for human consumption.
- Loss and Adjustment Report #14 is prepared for the reconstituted and unfit food and submitted to a designated manager for approval.
- 29 October -- The suboffice administrator authorizes Loss and Adjustment Report #14, documenting marine losses of 109 bags (100 short, five lost after reconstitution and four unfit).

2. Dispatch from the port warehouse

- 29 October -- 1,000 bags are dispatched to warehouse #1 via Waybill # 850.
- 29 October --The four bags of unfit food are sold to a fertilizer company and dispatched

from port via Waybill # 851.

- 30 October -- 1,000 bags are dispatched to warehouse #1 via Waybill #852.
- 31 October -- 1,000 bags are dispatched to warehouse #1 via Waybill #853.
- 1 November -- 1,000 bags are dispatched to warehouse #1 via Waybill #854.
- 2 November -- 1,000 bags are dispatched to warehouse #1 via Waybill #855.
- 3 November -- 850 bags are dispatched to warehouse #1 via Waybill #856.
- 3 November -- The port informs CARE that no bags remain from this shipment. The warehouse inventory ledger shows a balance of 41 bags. Loss and Adjustment Report #15 is prepared documenting the port loss of 41 bags.
- 4 November -- The sub-office administrator authorizes the report.
- 20 November -- The port informs CARE that an additional 30 bags from this shipment were discovered at port. This amount is documented on Loss and Adjustment Report #16 and authorized by the suboffice administrator.

SUMMARY TABLES - PORT

Marine Losses - Discharge Survey Report

1	Bill of lading quantity	6000
2	Qty rec'd good	5866
3	Unfit for human consumption	4

4	Damaged bags (torn, wet, slack, etc.)	30
5	Total receipts landed(2+3+4)	5900
6	Qty repackaged	25
7	Short landed (1-5, if positive)	100
8	(Excess) receipts (1-5, if negative)	0
9	Total loss(3+4+6+7)	159

NOTE: The survey report is the support document for the Loss and Adjustment Report. Per the survey report there are marine losses of 109 bags and a bill of lading quantity of 6,000 bags, for a net receipt of 5,891 bags. This matches the amount listed on the warehouse inventory ledger.

If the warehouse inventory ledger cannot be reconciled with the discharge survey report, it may indicate:

- **The information on the survey report has been updated and this information has not been reflected on a Loss and Adjustment Report.**
- **Loss and Adjustment Reports for marine losses have not been received.**
- **Information on the Loss and Adjustment Reports does not match information on the survey report.**

Summary Table - Dispatch Information From Port Warehouse

CARE Waybill #	850	851	852	853	854	855	856
Shipment #	3054	3054	3054	3054	3054	3054	3054
Donor	CIDA	CIDA	CIDA	CIDA	CIDA	CIDA	CIDA

	CIDA	CIDA	CIDA	CIDA	CIDA	CIDA	CIDA
Commodity	Wheat	Unfit Wheat	Wheat	Wheat	Wheat	Wheat	Wheat
Unit	Bag	Bag	Bag	Bag	Bag	Bag	Bag
Unit weight	50 kg.	50 kg.	50 kg.	50 kg	50 kg.	50 kg	50 kg
Dispatch qty	1,000	4	1000	1000	1000	1000	850

NOTE: The above table sets out the actual dispatches from the port warehouse to an in-country warehouse. The transactions are reflected in the warehouse inventory ledgers for food in good condition and that which is unfit.

Port Warehouse Inventory Ledger

Warehouse: Port - 1 **Commodity type:** Wheat

Shipment no.: 3054 **Commodity unit:** Bag

Donor: CIDA

Unit weight: 50 kilos

Date	Reference No.	Origin/ Destination	Receipts		Dispatches & (Returns)		Type of Loss	Losses		Balance		Pending	
			Units	Kgs	Units	Kgs		Units	Kgs	Units	Kgs	Units	Kgs
Balance brought forward											0		
27/10/94	B/L 576	CIDA	6000	0						6000		109	
29/10/94	LAR 14						Marine	109	0	5891		(109)	
29/10/94	B/L 850	W/house - 1			1000	0				4891			
30/10/94	B/L 852	W/house - 1			1000	0				3891			

31/10/94	B/L 853	W/house - 1			1000	0				2891		
1/11/1994	B/L 854	W/house - 1			1000	0				1891		
2/11/1994	B/L 855	W/house - 1			1000	0				891		
3/11/1994	B/L 856	W/house - 1			850	0				41		
4/11/1994	LAR 15						Port	41	0	0		
20/11/94	LAR 16						Port	-30	0	30		
	Total		6000	0	5850	0		120	0			

(Source documents: Bill of lading, waybills and Loss and Adjustment Reports)

Port Warehouse Inventory Ledger - Unfit Food

Warehouse: Port - 1 **Commodity type:** Wheat

Shipment no.: 3054 **Commodity unit:** Bag

Donor: CIDA **Unit weight:** 50 kilos

Date	Reference No.	Origin/ Destination	Receipts		Dispatches & (Returns)		Type of Loss	Losses		Balance	
			Units	Kgs	Units	Kgs		Units	Kgs	Units	Kgs
Balance brought forward										0	0
29/10/94	LAR 14	Port - 1	4	0						4	
2/11/1994	W/B 851	SALE			4	0				0	0
	Total		4	0	4	0		0	0		

(Source documents: Waybills and Loss and Adjustment Reports)**2. Transactions at an In-Country Warehouse**

- 29 October -- The truck carrying waybill #850 arrives at the warehouse from the port. Recall that the dispatch quantity on the waybill was 1,000 bags and the shipment number is 3054. A total of 975 bags are unloaded from the truck. Five bags are torn and leaking, and two bags are stained and appear to be unfit for human consumption.
- The five torn and leaking bags are reconstituted into 4 ½ bags. A public health official declares the two stained bags to be unfit for human consumption. The reconstituted and unfit bags as well as the bags delivered short are documented on Loss and Adjustment Report #100.
- 30 October -- The suboffice administrator authorizes Loss and Adjustment Report #100 documenting the internal transit losses of 27 bags and 25 kilos.
- 30 October -- The truck carrying Waybill #852 arrives at the warehouse and unloads 1,000 bags.
- 31 October -- 1,000 bags of wheat are loaned to another organization and dispatched from the warehouse on Waybill #1498. The loan was approved by CIDA, the donor of the food.
- 31 October -- The truck carrying Waybill #853 arrives at the warehouse and unloads 1,010 bags, of which five are torn and leaking, three are moldy and ten are underweight by five kilos each. The five torn and leaking bags are reconstituted into four. The ten underweight bags are reconstituted into nine. A public health official declares that three other stained bags are unfit for human consumption. The reconstituted and unfit bags as well as the ten excess bags are documented on Loss and Adjustment Report #101.

- 31 October -- The suboffice administrator authorizes the Loss and Adjustment Report documenting the transit loss of five bags and the excess receipt of ten bags.
- 1 November -- The truck carrying Waybill #854 arrives at the warehouse and unloads 990 bags. Loss and Adjustment Report #102 is prepared documenting the transit loss of ten bags, and the sub-office administrator authorizes removal of the loss from inventory.
- 2 November -- The truck carrying Waybill #855 arrives at the warehouse and unloads 1,000 bags.
- 3 November -- The truck carrying Waybill #856 arrives at the warehouse and unloads 850 bags.
- 4 November -- 200 bags are dispatched from the warehouse to a Counterpart A's distribution center via Waybill #1499 for PN20. This dispatch is based on a distribution plan prepared by the project managers.
- 5 November -- Two stained bags are returned to the warehouse. These were part of a dispatch of 200 bags to Counterpart B via Waybill #1500 for PN20. The dispatch was also part of the above distribution plan. The person authorized to accept the dispatch for Counterpart B noted on the Waybill that she did not accept the two bags because they were stained and appeared to be unfit for human consumption. Loss and Adjustment Report #103 is prepared. On the same day, a public health official declares the two stained bags returned to the warehouse to be unfit for human consumption, and the suboffice administrator authorizes the Loss and Adjustment Report.
- 5 November -- Five stained bags are discovered in the stack of the shipment in the warehouse, Loss and Adjustment Report #104 is prepared, the public health official declares them to be unfit and the suboffice administrator authorizes the report.

- 6 November -- The organization that borrowed 1,000 bags of wheat delivers the repayment wheat to the warehouse using their Waybill #2588.
- November -- The warehouse storekeeper discovers a stack of wheat from shipment #3054 to be infested with insects. A professional exterminator fumigates the stack with phosphine. Note that the stack which contains the food repaid from a loan was not infested and thus was not fumigated.
- 10 November -- Seven bags of unfit wheat are sold for animal feed and dispatched from the warehouse via Waybill #1501.

Note: See Losses and Claims for Loss and Adjustment Report examples.

Summary Table - Waybill Information Warehouse #1

	Waybill #	CARE 850	CARE 852	CARE 853	CARE 854	CARE 855	CARE 856	Non CARE 2588	CARE 1500
1	Shipment #	3054	3054	3054	3054	3054	3054	3054	3054
2	Donor	CIDA	CIDA	CIDA	CIDA	CIDA	CIDA	CIDA	CIDA
3	Commodity	Wheat	Wheat	Wheat	Wheat	Wheat	Wheat	Wheat	Wheat
4	Unit	Bag	Bag	Bag	Bag	Bag	Bag	Bag	Bag
5	Unit weight	50 kg	50 kg	50 kg	50 kg	50 kg	50 kg	50 kg	50 kg
6	Dispatch per WB	1000	1000	1000	1000	1000	850	1000	2
7	Qty rec'd good	968	1000	992	990	1000	850	1000	
8	Unfit for human	2	0	3	0	0	0	0	2

	consumption								
9	Damaged packages	5	0	15	0	0	0	0	0
10	Total receipts(7+8+9)	975	1000	1010	990	1000	850	1000	2
11	Qty repackaged	4.5	0	13	0	0	0	0	0
12	Short receipts (6-10, if positive)	25	0	0	10	0	0	0	0
13	(Excess) receipts (6-10, if negative)	0	0	10	0	0	0	0	0
14	Total loss(8+9-11+12)	36.5	0	31	10	0	0	0	2

Note - Waybill #1500 -The dispatch information was included on the waybill by the dispatching warehouse and the receipt information was included on the waybill by the receiving counterpart. The counterpart then manually wrote on the waybill that she did not accept two bags because they were stained. The transporter acknowledged this when he signed the waybill at the time of delivery to the counterpart. The receiving warehouse thus notes the receipt of two damaged bags on the waybill that the transporter returns to the warehouse.

The above table analyzes each waybill to show receipts, dispatches and how damaged food is accounted for. The information in rows 1 - 6 is from the Dispatch Information section of each Waybill. Information in Rows 7 - 14 is from the Receipt Information section of the Waybill which would be completed by the Warehouse #1 manager or storekeeper.

Summary Table - Waybill Dispatch Information

Waybill #	CARE 1498	CARE 1499	CARE 1500	CARE 1501
Shipment #	3054	3054	3054	3054

Donor	CIDA	CIDA	CIDA	CIDA
Commodity	Wheat	Wheat	Wheat	Unfit Wheat
Unit	Bag	Bag	Bag	Bag
Unit weight	50 kg.	50 kg.	50 kg.	50 kg.
Dispatch qty	1,000	200	200	7

Warehouse Inventory Ledger

Warehouse: Warehouse - 1 **Commodity type:** Wheat

Shipment no.: 3054 **Commodity unit:** Bag

Donor: CIDA **Unit weight:** 50 kilos

Date	Reference No.	PN	Origin/ Destination	Receipts per Waybill		Excess Receipts		Dispatches & (Returns)		Type of Loss	Losses		Balance		Pendi
				Units	Kgs	Units	Kgs	Units	Kgs		Units	Kgs	Units	Kgs	
Balance brought forward													0	0	
29/10/94	W/B 850		Port - 1	1000	0								1000	0	27
30/10/94	LAR 100									Internal transit	27	25	973	25	-27
30/10/94	W/B 852		Port - 1	1000	0								1972	25	
31/10/94	W/B		Loan					1000	0				972	25	

31/10/94	W/B 853		Port - 1	1000	0							1972	25	5	
31/10/94	LAR 101					10	0			Internal transit	5	0	1977	25	-5
1/11/1994	W/B 854		Port - 1	1000	0								2977	25	10
1/11/1994	LAR 102									Internal Transit	10	0	2967	25	-10
2/11/1994	W/B 855		Port - 1	1000	0								3967	25	
3/11/1994	W/B 856		Port - 1	850	0								4817	25	
4/11/1994	W/B 1499	20	Counter - A					200	0				4617	25	
5/11/1994	W/B 1500	20	Counter - B					200	0				4417	25	
5/11/1994	W/B 1500	20	Counter - B					-2	0				4419	25	2
5/11/1994	LAR 103									Internal Transit	2	0	4417	25	-2
6/11/1994	LAR 104									Internal W/house	5	0	4412	25	
6/11/1994	W/B 2588A		Loan	1000	0								5412	25	
	Total			6850	0	10	0	1398	0		49	25			0

(Source documents: Copies of waybills and Loss and Adjustment Reports)

Warehouse Inventory Ledger - Unfit Food

Warehouse: 1 **Commodity type:** Unfit Wheat

Shipment no.: 3054 **Commodity unit:** Bag

Donor: CIDA **Unit weight:** 50 kilos

Date	Reference No.	Receipts	Dispatches	Losses	Balance
Balance brought forward					0
30/10/94	L/R 100	2			2
31/10/94	L/R 101	3			3
5/11/1994	L/R 103	2			2
5/11/1994	L/R 104	5			5
10/11/1994	W/B 1501		12		-12
	Total	12	12	0	

(Source documents: Dispatch waybills and Loss and Adjustment Reports)

V. Preparing Stack Cards

All food stored in warehouses must be placed in stacks. See Storage and Handling for more information on maintaining stacks. This section provides general guidelines for keeping stack card records and examples of stack cards. The examples are taken from the in-country warehouse transactions above.

Storekeeper Guidelines for Preparing Stack Cards

- Attach a stack card to each stack of food in a warehouse.
- Maintain separate stacks and cards for each food type and for each shipment number. If warehouse space is tight and food from another shipment is stacked on top of a partial stack, divide a stack card in half and list both shipments on one stack card. This should only be done in exceptional circumstances.
- Maintain separate stacks and stack cards by shipment number for food that has been damaged and awaiting reconstitution.
- Maintain separate stacks and stack cards by shipment number for food that has been repackaged.
- Maintain separate stacks and stack cards by shipment number for food unfit for human consumption.
- Record entries in whole units and record partial units in weight, e.g. 1 bag and 25 kilos.
- Record entries to stack cards whenever food is moved on or off a stack.
- Losses discovered at the time of receipt are not recorded on the stack card--if the food is not physically present, it cannot be part of a stack.
- Periodically count the units of food in the stack and reconcile the count with the balance on the stack card. Investigate any discrepancies. The warehouse manager or storekeeper must decide how often counts will be made and compared against the balance listed in the stack, although it is important to compare the physical stack count with the stack card balance whenever food has been placed on or taken off a stack.

- Compare the amounts listed on the stack card(s) for each food and shipment with the balances listed on the warehouse inventory ledger. Investigate any discrepancies, reconcile differences and prepare appropriate Loss and Adjustment Reports.

Example: All the good food received by Warehouse #1 went into one stack with one stack card. Food that was repackaged, food found unfit, and repayment of the loan went into three separate stacks, each with its own stack card. Based on this information, the following stack cards are completed:

CARE STACK CARD				
Warehouse: 1		Commodity: Wheat		
Shipment no.: 3054		Commodity unit: Bag		
Donor: CIDA		Unit weight: 50 kilos		
DATE	REFERENCE NUMBER	RECEIPT	DISPATCH	BAL
29/10/94	W/B 850	968		968
30/10/94	W/B 852	1,000		1,968
31/10/94	W/B 1498		1,000	968
31/10/94	W/B 853	992		1,960
01/11/94	W/B 854	990		2,950
02/11/94	W/B 855	1,000		3,950
03/11/94	W/B 856	850		4,800
04/11/94	W/B 1499		200	4,600
05/11/94	W/B 1500		200	4,400
05/11/94	L/R 104		5	4,395

CARE STACK CARD				
Warehouse: 1 Wheat		Commodity: Unfit		
Shipment no.: 3054		Commodity unit: Bag		
Donor: CIDA		Unit weight: 50 kilos		
DATE	REFERENCE NUMBER	RECEIPT	DISPATCH	BAL
29/10/94	W/B 850	2		2
31/10/94	W/B 853	3		5
05/11/94	W/B 1500	2		7
05/11/94	L/R 104	5		12
10/11/94	W/B 1501		12	0

CARE STACK CARD	
Warehouse: 1	Commodity: Repackaged Wheat

Warehouse: 1		Commodity: repackaged wheat		
Shipment no.: 3054		Commodity unit: Bag		
Donor: CIDA		Unit weight: 50 kilos		
DATE	REFERENCE NUMBER	RECEIPT	DISPATCH	BAL
29/10/94	W/B 850	4.5		4.5
31/10/94	W/B 853	13.0		17.5

CARE STACK CARD				
Warehouse: 1		Commodity: Wheat		
Shipment no.: 3054*		Commodity unit: Bag		
Donor: CIDA		Unit weight: 50 kilos		
DATE	REFERENCE NUMBER	RECEIPT	DISPATCH	BAL
06/11/94	W/B 2588A	1,000		1,000

***Represents loan repayment from another organization; therefore, although the same shipment #, it is stacked separately**

VI. Filing Documents

At a minimum, maintain the following records and documents in chronological order:

- **Receiving copies of waybills, with receipt acknowledged**
- **Dispatch copies of authorized waybills**
- **Copies of authorized Loss and Adjustment Reports**
- **Inventory ledgers by food type and shipment number**
- **Stack cards.**

As stipulated in CARE's *Overseas Finance Manual*, maintain documents for seven years or for the length of time required by the donor, whichever is longer.

VII. Physical Inventories

Warehouse managers or storekeepers should carry out physical inventories at designated time periods and reconcile physical counts with balances on stack cards and in warehouse inventory ledgers. If there are differences between counts and records, a Loss and Adjustment Report should be prepared and recorded in the warehouse inventory ledger. See *Storage and Handling* for guidance on physical inventories. Also, see Reconciliation of Commodity Inventory Ledgers section 5 - Reconciliation with Physical Count in *ALMIS #4496 Inventory - Food Commodities - Commodity Accounting Manual* for the role of the commodity accountant in carrying out independent reconciliations and preparation of Loss and Adjustment Reports.

Internal Control

Physical counts are the true inventory and each time a count is taken the ledger balances must reflect this count. If there are differences between the count and the ledger balance, reasons for differences must be stated on the Loss and Adjustment Reports.

VIII. Reporting

A. Commodity Status Report (CSR)

Commodity Status Reports provide management with basic summary information on receipts, dispatches, losses, and physical inventories of food stored in warehouses during given periods of time. They are a critical management tool. CSRs do not include food stored at project sites which is available for immediate consumption including open storage areas for emergency distributions. In these cases, any reporting on food would be included in Recipient Status and other monitoring reports. See Monitoring Project Sites.

CSRs must include information from counterpart warehouses as well as CARE controlled warehouses.

Warehouse Commodity Status Reports are prepared for each individual warehouse. Whether it is a report reflecting activity at a port or an in-land warehouse, warehouse managers or storekeepers must assure that CSRs balance. The importance of carrying out regular physical inventories cannot be emphasized enough.

If there is more than one warehouse in a region, individual warehouses will prepare their CSRs and submit them to the regional office. The commodity financial accountant or the Food and Logistics section in the regional office will then aggregate these reports into a CSR. Similarly, if there is more than one region, each region will submit its CSR to the commodity financial accountant or Food and Logistics section in the country office who will aggregate the regional reports into a country-wide CSR. In effect, all CSRs roll-up from local warehouses to regional offices to the country office. CSRs should be prepared for each donor.

Country offices must determine if the commodity financial accountant or managers in the

Food and Logistics sections prepare the CSRs. The commodity financial accountant will have original copies of all receipt and dispatch waybills and Loss and Adjustment Reports to prepare their commodity accounting ledgers. See Food Receipt and Dispatch on routing waybills.

1. Monetization

Commodity Status Reports must include information on monetizations as well as direct food distributions. Including this information on CSRs will provide program managers with complete information on receipts and dispatches of all food inventories for all programs.

- **In instances where a B/L is endorsed over to a buyer at the time a ship arrives in country and CARE never takes actual control or custody, the country office food management staff should not enter the tonnages in the consolidated CSR for the country office. As CARE never actually takes custody and control of the food, there is no reason to include the tonnages in the CSR. Country offices will report these tonnages as part of their regular financial reporting and in Annual Project Information reports prepared for CARE USA's Program Division.**
- **When country offices take custody and control of food to be monetized later, warehouse managers and storekeepers should include information on dispatches to buyers on the CSRs. Information would be entered on the Monetization line in the Distributions and Dispatch Section of the Report.**

In order to minimize the number of reports country offices must submit to different donors, country offices should request that the CSR be submitted to them in lieu of other commodity reports.

2. Guidelines for Preparation

The CARE CSR form is adapted from a report required by AID's Bureau of Humanitarian Affairs, Office of Food for Peace for PL 480 Title II programs.

Guidelines for Preparing CSRs

- CSR should be reported in kilograms.
- Fill in the Physical Inventory at the beginning of the reporting period. (A). This inventory must be based on actual counts.
- Add all Receipts during the period. (B. 1-5). Arrivals means arrivals per the documentation - B/L or waybill. For example, if a B/L shows 6000 bags of wheat @50kgs per bag this amount would be recorded in (B.1), or if the same amount came from a warehouse this would be reported on (B. 5). As support for arrivals during a period, see attachment 10-1, PL 480 Receipts Report from CARE Ethiopia and CARE Peru for examples. The Receipt Reports should be prepared and submitted with the quarterly CSR.
- Report total receipts. (C)
- Add all distributions during the period to projects and dispatches for monetization and to other warehouses. (D. 1-5)
- Report total distributions and dispatches. (E)
- Calculate the Balance According to Documentation (ledgers, B/L, survey reports, waybills) ($A+C-E=F$)
- Report the Physical Inventory at the end of the reporting period. (G) This inventory must be based on actual counts.

- Report the total differences between the Balance According to Documentation and the end of the month Physical Inventory on (H) and breakdown the total of H on lines H. 1-5. Lines 1-5 include losses and loans - made and repaid.
- Report total of Differences Accounted For also on line I.
- Total of Differences accounted for (I) plus the end of the month physical inventory (G) must reconcile with the Balance According to Documentation. (I+G=F)
- If I+G do not equal F, totals should be included in the Unaccounted for Difference line J. Warehouse managers, storekeepers, commodity financial accountants or staff in Food and Logistics sections must provide explanations, in writing, for any differences that are unaccounted for.

a. Consolidation of CSRs

Commodity financial accountants or Food and Logistics staff in regional and/or country offices should complete CSRs in the same way that individual warehouses complete reports, except that staff:

- **Must determine if food dispatched from ports is received at inland warehouses during the CSR reporting period. If food is not received (there is no copy of the receiving warehouses waybill), the amount of food dispatched to the receiving warehouse should be included in the port warehouse physical inventory. This is important to assure that double counting of inventories does not take place. See Example Two below.**
- **Subtract out dispatches received from warehouses (b. 5) and sent to warehouses (d. 5). This is also necessary to assure that overall inventory is not double counted during the consolidation. If a regional office does the consolidation, this step will**

not be required when the country office prepares its country-wide CSR. See Example Three below.

When consolidating CSRs, there may be instances where total food inventory is understated because the CSR does not include food in transit between inland warehouses.

b. Sample CSRs

The examples below use the information from the transactions used to prepare the port and warehouse inventory ledgers in this chapter. They assume no other transactions for a quarter. They also take into account food in transit from a port or between warehouses. Each example shows aggregated information, although in practice there should be one monthly CSR for each warehouse and region and a quarterly CSR for the country office.

Finally, the examples in these CSRs are presented in units in order to match other examples in the manual. For preparation of actual CSRs, units would have to be converted to kilograms.

EXAMPLE 1 - FOOD DISPATCHED AND RECEIVED DURING A REPORTING PERIOD

PORT - WAREHOUSE #1 - CONSOLIDATED

COMMODITY STATUS REPORT								
Month/Quarter: <u>October - December</u>		Check one:						
Country	X	<input checked="" type="checkbox"/>	Country Office (Quarterly)				DoI	CIF
		<input type="checkbox"/>	Regional Office (Monthly)				DoI	CIF

Preparer:	<u>each preparer</u>	_____ (location) Warehouse (Monthly) _____ (location)				date
Title: _____						
Signature: _____		Quantities in Kilograms				
		Commodity	WHEAT	WHEAT	WHEAT	
		Unit wt. (kgs)	50	50	50	
A.	Physical Inventory at Beginning of Period	0	0		0	
B.	Receipts into Inventory					
	1. Arrivals according to B/L	6000			6000	
	2. Food delivered by shipping companies and applied to cover previous shortages					
	3. Reimbursements of loans from other organizations			1000	1000	
	4. Food borrowed from other organizations					
	5. Dispatches from warehouses			5850		
C.	TOTAL RECEIPTS DURING PERIOD	6000	0	6850	0	7000
D.	Distributions and Dispatches out of Inventory					

	1. PN/NAME:			398		
	20					
	2. PN/NAME:					
	3. PN/NAME:					
	4. MONETIZATION (Country offices should include consolidated report amount of food turned over to buyers upon its arrival in country.)					
	5. Dispatches to Warehouses	5850				
E.	TOTAL DISTRIBUTIONS DURING PERIOD	5850	0	398	0	0
F.	Balance According to Documentation (A + C - E)	150	0	6452	0	7000
G.	Physical Inventory at End of Period	30		5402.5		5432.5
H.	Differences between F and G (F - G)	120	0	1049.5	0	1567.5
	1. Ocean Freight Losses (marine, port)	109				109
	2. Internal Losses (warehouse, internal transit)	11		49.5		60.5
	3. Repayment of Loans from					

	4. Loans made to other agencies			1000		1000	
	5. Dispatches from Port Warehouse in transit at close of reporting period						
I.	TOTAL DIFFERENCES ACCOUNTED FOR (H1_H5)	120	0	1049.5	0	1169.5	
J.	Total Differences Unaccounted for ([I+G] - F)	0	0	0	0	-398	
Physical inventory includes food in customs warehouses, in-country warehouses, in storage by co-sponsors, counterparts distributing agencies and which are in							
transit in country from ports in internal warehouses or central points which are not yet reported on receiving reports (e.g., the end of a reporting period).							
AUTHORIZER					EACH TITLE	EACH DATE	
Authorized by (signature)				Authorized by (name)		Title	Date

**EXAMPLE 2 - FOOD DISPATCHED FROM PORT BUT NOT RECEIVED AT WAREHOUSE
DURING REPORTING PERIOD - PORT - WAREHOUSE #1 CONSOLIDATION**

COMMODITY STATUS REPORT							
Month/Quarter: <u>October - December</u>		Check one:					
Country		Country Office					

Country		<input checked="" type="checkbox"/> Country Office (Quarterly)			DU CI
		<input type="checkbox"/> Regional Office (Monthly) _____ (location)			Da da
Preparer:	<u>each preparer</u>	<input checked="" type="checkbox"/> Warehouse (Monthly) _____ (location)			
Title: _____					
Signature: _____		Quantities in Kilograms			
		Commodity	WHEAT	WHEAT	WHEAT
		Unit wt. (kgs)	50	50	50
A.	Physical Inventory at Beginning of Period	0	0	0	
B.	Receipts into Inventory				
	1. Arrivals according to B/L	6000			6000
	2. Food delivered by shipping companies and applied to cover previous shortages				
	3. Reimbursements of loans from other organizations		1000		1000
	4. Food borrowed from other organizations				
	5. Dispatches from warehouses				
C.	TOTAL RECEIPTS DURING	6000	0	1000	0
				0	7000

D.	PERIOD Distributions and Dispatches out of Inventory				
	1. PN/NAME: 20				
	2. PN/NAME:				
	3. PN/NAME:				
	4. MONETIZATION (Country offices should include consolidated report amount of food turned over to buyers upon its arrival in country.)				
	5. Dispatches to Warehouses	5850			
E.	TOTAL DISTRIBUTIONS DURING PERIOD	5850	0	398	0 398
F.	Balance According to Documentation (A + C - E)	150	0	602	0 6602
G.	Physical Inventory at End of Period	5880		552.5	6432.5
H.	Differences between F and G (F - G)	-5730	0	49.5	0 169.5
	1. Ocean Freight Losses (marine, port)	109			109
	2. Internal Losses (warehouse,	11		49.5	60.5

	internal transit)						
	3. Repayment of Loans from other Organizations						
	4. Loans made to other agencies						
	5. Dispatches from Port Warehouse in transit at close of reporting period	5850					
I.	TOTAL DIFFERENCES ACCOUNTED FOR (H1_H5)	5970	0	49.5	0	169.5	
J.	Total Differences Unaccounted for ([I+G] - F)	11700	0	0	0	0	
Physical inventory includes food in customs warehouses, in-country warehouses, in storage by co-sponsors, counterparts distributing agencies and which are in							
transit in country from ports in internal warehouses or central points which are not yet reported on receiving reports (e.g., the end of a reporting period).							
AUTHORIZER					EACH TITLE		EACH DATE
Authorized by (signature)				Authorized by (name)		Title	Dal

EXAMPLE 3 - FOOD DISPATCHED AND RECEIVED BY INLAND WAREHOUSES

PORT - WAREHOUSE #1 - WAREHOUSE #2 - CONSOLIDATED

COMMODITY STATUS REPORT						
--------------------------------	--	--	--	--	--	--

Month/Quarter: <u>October - December</u>		Check one:						
Country		X	<input checked="" type="checkbox"/>	Country Office (Quarterly)				Donor CID#
			<input type="checkbox"/>	Regional Office (Monthly) _____ (location)				Date date
Preparer:		<u>each preparer</u>	<input checked="" type="checkbox"/>	Warehouse (Monthly) _____ (location)				
Title: _____								
Signature: _____			Quantities in Kilograms					

	Commodity	WHEAT	WHEAT	WHEAT	
	Unit wt. (kgs)	50	50	50	
A.	Physical Inventory at Beginning of Period	0	0	0	
B.	Receipts into Inventory				
	1. Arrivals according to B/L	6000			60
	2. Food delivered by shipping companies and applied to cover previous shortages				
	3. Reimbursements of loans from other organizations		1000		10
	4. Food borrowed from other organizations				
	5. Dispatches from warehouses		5850	2000	78

	5. Dispatches from warehouses			2000	2000		70
C.	TOTAL RECEIPTS DURING PERIOD	6000	0	6850	2000	0	148
D.	Distributions and Dispatches out of Inventory						
	1. PN/NAME: 20			398			3
	2. PN/NAME:				400		4
	3. PN/NAME:						
	4. MONETIZATION (Country offices should include consolidated report amount of food turned over to buyers upon its arrival in country.)						
	5. Dispatches to Warehouses	5850		2000			78
E.	TOTAL DISTRIBUTIONS DURING PERIOD	5850	0	2398	400	0	86
F.	Balance According to Documentation (A + C - E)	150	0	4452	1600	0	62
G.	Physical Inventory at End of Period	30		3402.5	1500		4932
H.	Differences between F and G (F - G)	120	0	1049.5	100	0	1269
	1. Ocean Freight Losses	109					1

	(marine, port) 2. Internal Losses (warehouse, internal transit)	11		49.5	100		160
	3. Repayment of Loans from other Organizations			1000			10
	4. Loans made to other agencies						
	5. Dispatches from Port Warehouse in transit at close of reporting period						
I.	TOTAL DIFFERENCES ACCOUNTED FOR (H1_H5)	120	0	1049.5	100	0	1269
J.	Total Differences Unaccounted for ([I+G] - F)	0	0	0	0	0	
Physical inventory includes food in customs warehouses, in-country warehouses, in storage by co-sponsors, counterparts distributing agencies and which are in							
transit in country from ports in internal warehouses or central points which are not yet reported on receiving reports (e.g., the end of a reporting period).							
AUTHORIZER					EACH TITLE	EACH DATE	
Authorized by (signature)				Authorized by (name)		Title	Date

B. Quarterly Consolidated Report on Food Resources

In addition to a Commodity Status Report, food or logistics managers in country offices

should prepare a Quarterly Consolidated Report for each donor, based on donor approvals for projects, call forwards and information provided from the CSR. This reports summarizes all food receipts, dispatches and losses for each donor by quarter and permits program managers to compare this information against original donor approvals and call forwards.

Example - CIDA approves 2,500 MTs (50,000 bags) of wheat for PN 20 of Country X. Country X has only called forward 300 MTs (6,000 bags) in the October to December Quarter. Information on arrivals in country and distributions is taken from CSR example 2. For consistency, this example will be presented in units. Although submissions of reports should be in kilograms like the CSR.

Consolidated Quarterly Report

(By PN and Donor)

Country: X Quarter: October - December

Donor: CIDA Report Date: February 1

PN: 20

	Kgs* (000)	% of Approval	Type of food	Type of food	Type of food
Approval	50,000		Wheat		
C/F for quarter	60,000	12			
Balance of approval	44,000	88			
Approval per B/L	6000	12			
Distribution to	398	0.8			

project sites					
Marine loss	109	0.12			
Internal loss	60.5	0.12			
Total loss	169.5	0.24	0	0	0

Name of Preparer: _____ Title: Asst. Log. Mgr. Date: February 1

Approved by: Title: _____ Logistics Mgr. Date: February 10

*** Units are used for this example only.**

C. Reporting Periods

CSRs and the Quarterly Consolidated Report for Food Resources should be prepared by the CARE country offices no later than forty-five (45) days after the end of each quarter. Depending on the program, each report may be required more frequently. For example, in emergencies, reports may be required weekly or even daily.

To expedite the country office preparation of the country-wide CSR and the Quarterly Consolidated Report, individual warehouses and regional offices must prepare CSR reports monthly. Reporting periods for the CSR should follow the reporting period used to maintain warehouse inventory ledgers.

D. Filing and Submission

All CSRs and Quarterly Consolidated Reports must be kept on file in warehouses, regional and country offices, and submitted by numbered, transmittal letters to:

- **Regional Managers, CARE USA Headquarters**

- **Food Security Unit, CARE USA Headquarters**
- **Headquarters of the CI member who assisted country offices receive food resources from non-US donors**
- **Donors.**

E. Other Reports


The CSR and Quarterly Consolidated Report for Food Resources and the warehouse inventory accounting records and supporting documents described above set out the minimum amount of information necessary for purposes of managing food aid assets. Country offices may develop any other reports. However, before requiring additional reports, consider the following:

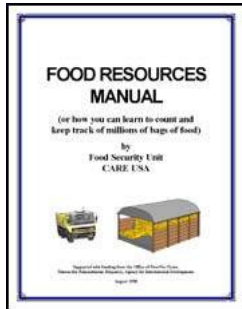
- **Why is the additional information needed?**
- **Who will use the new information?**
- **Can the information be obtained from existing reports/documents or can they be revised to provide the information?**

When deciding whether to collect more information, consider whether the costs involved in collecting and providing it exceed the benefits of having the additional information. CARE's main goal should be to implement efficient, cost-effective systems that provide accurate and timely information at the least cost possible.



[Home](#) > [ar.cn.de.en.es.fr.id.it.ph.po.ru.sw](#)

 CARE Food Manual (CARE , 1998, 355 p.)

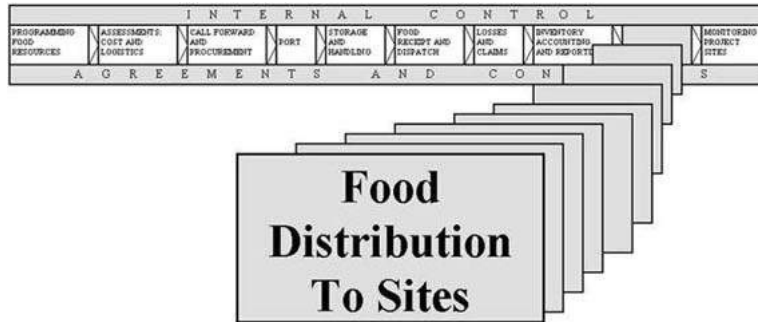


- ➔ **Chapter 11 - Food Distribution To Sites**
 - (introduction...)*
 - I. Determining Food Requirements**
 - (introduction...)*
 - A. Number of Regions, Sites and Project Beneficiaries**
 - B. Biweekly Requirements for Beneficiaries**
 - C. Total Requirements for Beneficiaries in the Regions**
 - II. Designing a Transportation Plan**
 - A. Program Requirements Based on Ration Size**
 - B. Program Requirements Based on Pipeline Analyses**
 - C. Turn-Around Time (TAT)**
 - D. Number of Trips**
 - E. Transport Capacity Required**
 - F. Number of Sites and Amount of Food That Can be Delivered**
 - III. Distribution Site Accountability**
 - (introduction...)*
 - A. Receipt of Food**
 - B. Ledgers and Beneficiary Lists**
 - C. Monthly Distribution Site Reports**
 - 1. Preparation**
 - 2. Submission**
 - IV. Registering Beneficiaries**
 - (introduction...)*
 - A. Functions and Responsibilities**

- **B. Procedures**
 - ☐ **1. Training and Communication**
 - ☐ **2. Setting Up Operations**
 - ☐ **3. Determining Who is Eligible**
 - ☐ **4. Identification and Recordkeeping**
 - ☐ **5. Handling Re-registration**
- **C. Controlling Abuses of the Registration System**
 - ☐ **1. Types of Abuses**
 - ☐ **2. Detecting Abuses**
 - ☐ **3. Preventing Abuses**
- ☐ **D. Special Circumstances During Emergencies**
- **E. Recipient Status Reports - Monthly**
 - ☐ **1. Preparation**
 - ☐ **2. Example of RSR**
- ☐ **F. Recipient Status Reports - Quarterly**
- **V. Preventing Misappropriation and Diversion**
 - ☐ **A. Main Risks of Diversion**
 - ☐ **B. Transport and Delivery**
 - ☐ **C. Agreements/Sanctions**
 - ☐ **D. Ration Size and Quality**
 - ☐ **E. Communication**

CARE Food Manual (CARE , 1998, 355 p.)

Chapter 11 - Food Distribution To Sites



Figure

Whether food is distributed to project sites for distribution of dry (uncooked) rations for beneficiaries or wet (cooked) rations, project managers, food and logistic staff, and warehouse managers and storekeepers must develop plans to distribute food to sites.

I. Determining Food Requirements

Suppose CARE and a counterpart carry out a mother child feeding program food in three regions of a country. Donated food combined with local food is prepared on site. While this example involves a project to improve the nutritional status of mothers and children, the same types of calculations can apply to food for work and other direct distribution programs.

A. Number of Regions, Sites and Project Beneficiaries

Region	Number of Sites	Total Project Participants
Region 1	400	50,000
Region 2	320	40,000

Region 3	80	10,000
Total	800	100,000

Project participants are children under the age of twelve who receive a daily supplemental food ration six days per week based on nutritional needs.

B. Biweekly Requirements for Beneficiaries

A mix of peas and Wheat Soy Blend (WSB) is distributed. The table below shows the ration size for each beneficiary for a two week daily period. Two weeks are used because storage areas at project sites can only hold enough food to cover two week periods.

Biweekly Food Requirements Per Project Participant

Food	Daily Ration (grams)	Number of Feeding Days in Delivery Cycle	Total Biweekly Requirement per Participant
Peas	200 g	12	2.4 kgs
WSB	200 g	12	2.4 kgs

C. Total Requirements for Beneficiaries in the Regions

To calculate the total requirements for peas for Region 1:

50,000 beneficiaries x 200g x 12 days = total grams ÷ 1000 = 120,000kgs ÷ 1000 = 120MT. Similar calculations can be done for the other regions and the WSB. The table below sets out the total requirements.

Total Requirements for Beneficiaries by Region for Two Weeks

Region	Beneficiaries	Peas (MT)	WSB (MT)	Total MT
---------------	----------------------	------------------	-----------------	-----------------

1	50,000	120	120	240
2	40,000	96	96	192
3	10,000	24	24	48
Total	100,000	240	240	480

II. Designing a Transportation Plan

A. Program Requirements Based on Ration Size

Once the size of individual food rations and total needs for all beneficiaries are determined, a detailed plan must be developed to dispatch food from warehouses to distribution sites. The plan should take into consideration how much food is to be sent to each center and how often deliveries must be made. See *Food Receipt and Dispatch* for basic information on distribution plans and how warehouse managers and storekeepers should keep track of dispatches.

All planning must take into account seasons during a year (e.g., rainy seasons) when regular transport to project sites will be delayed or suspended. In these cases, extra time must be allotted for deliveries or additional food prepositioned at project sites (where there is storage capacity).

Once the total biweekly requirement per project participant is known, the individual requirements for each food distribution site for biweekly deliveries can be calculated. For example, Site 1 in the table below has 100 participants enrolled who will need 240 kg of peas and 240 kgs of wheat/soy every two weeks (the "delivery cycle"). The distribution plan for peas for individual project sites may look something like this. A similar plan would be done for WSB.

Distribution Plan for Peas for MCH Project

Site Name/ID #	Region	# of Project Participants	# of Feeding Days in Delivery Cycle	Total Food Requirement for Delivery Cycle*	Total Requirement minus excess stock**
Site 1	1	100	12	240 kgs or 4.8 bags	240 kgs or 4.8 bags
Site 2	1	150	12	360 kgs or 7.2 bags	360 kgs or 7.2 bags
Site 3	2	125	12	300 kgs or 6 bags	300 kgs or 6 bags
Site 4	3	150	12	360 kgs or 7.2 bags	360 kgs or 7.2 bags
etc...	etc.....				

* Another calculation to obtain the food required for the delivery cycle for Site 1 is
 $200\text{g/person} \times 12 \text{ days} \times 100 \text{ persons} = 240,000\text{g}/1000 = 240 \text{ kgs}/50\text{kgs} = 4.8 \text{ bags}$

**If there is any excess stock at the site, based on site reports, the amount on hand should be subtracted from the total food requirement.

B. Program Requirements Based on Pipeline Analyses

As with call forwards and transfers of food between warehouses, pipeline analyses should be used to determine current project site needs, taking into account food inventories at project site warehouses or stores. The format in *Call Forward and Procurement* can be adapted for internal pipeline analyses.

Depending on the nature and scope of the project, pipeline analyses for movements of food from warehouses to distribution sites may be prepared daily, weekly or quarterly. Knowledge about actual stock balances at distribution sites will most accurately inform managers about how much must be moved. However, when there are distance and

communication problems between warehouses and distribution sites, managers will likely have to use their best estimates of stock levels to do their analysis.

C. Turn-Around Time (TAT)

If there is only a fixed number of transport vehicles, trucks go to distribution sites and return to warehouses to pick up food for their next trip. CARE or counterpart staff must determine the amount of time it will take trucks to load food, go to one or more sites, and come back to load for their next trip. This is known as the Turn-Around Time (TAT).

Factors to consider in TAT are:

- **Distance to the distribution site**
- **Condition of the roads and bridges, especially during rainy season**
- **Speed of vehicles**
- **Loading time at the source**
- **Unloading time at the destination.**

For multiple deliveries TAT should be calculated for each destination.

The example program delivers food to three regions with sites at various distances from the warehouse. Some distribution sites are located within 10 km (Region 3) whereas others are as far as 200 km (Region 1) from the warehouse.

Region 1:

The distance from the warehouse to the distribution sites ranges from 140 to 200 kilometers. Because of the very poor condition of the roads, each truck averages approximately 15 to 20 kph. A half hour is required to load the truck and another half hour required for the unloading at each of the delivery points. It takes between ten and twelve hours to reach a destination and complete

unloading at sites in Region 1. It takes another day for the truck to return to the warehouse. The TAT for Region 1 is thus two days.

Region 2:

The distance to the sites from the warehouse is 80-140 kilometers and the roads are in better repair. Trucks can travel at an average speed of 45 kph. Including loading and unloading times, between three and five hours are needed to reach distribution sites. The TAT for Region 2 is thus one day.

Region 3:

The distance is relatively small (10-80 kilometers) and because the sites are closer to urban areas, the roads are in fairly good condition. Trucks are able to travel at an average speed of 50 kph. Sites also tend to be closer together, with fewer numbers of project participants per site. Loading and unloading times are half that of the other regions. The TAT for Region 3 is thus only half a day.

D. Number of Trips

Once the TAT is calculated the next step is to determine the number of trips that can be made during the two week delivery period. In the example, transporters work every day except for Sunday. The number of working days per delivery cycle is 12 (6 days x 2 weeks).

For each destination, divide the number of working days by the Turn-Around-Time.

In the example, the number of feasible trips by region is:

Region 1: 12 operating days ÷ 2 days (TAT) = 6 trips

Region 2: 12 operating days ÷ 1 day (TAT) = 12 trips

Region 3: 12 operating days ÷ .5 day (TAT) = 24 trips.

E. Transport Capacity Required

The following table shows how many MTs per day must be delivered to project sites if all sites are to receive food. For each region divide the total MT by the Trips per Service Cycle to get the Daily Transport Capacity.

Biweekly Distribution Plan for MCH Program

Region	Beneficiaries	Peas (MT)	WSB (MT)	Total MT	TAT	Days/ Service Cycle	Trips/ Service Cycle	Daily Transport Capacity Requirement
1	50,000	120	120	240	2 days	12	6	40 MT
2	40,000	96	96	192	1 day	12	12	16 MT
3	10,000	24	24	48	.5 day	12	24	2 MT
Total	100,000	240	240	480				58 MT

The vehicle type and capacity will vary depending on in-country availability.

In this example, the country office subcontracts commercial vehicles. Because many of the sites are located in remote areas, short-haul trucks with a capacity of 8 MT will make the majority of the deliveries. Thus for deliveries to Region 1, six short-haul trucks will be needed daily to complete distributions from warehouses to the sites over a two-week

period.

F. Number of Sites and Amount of Food That Can be Delivered

Finally, plans must include how much food can be carried and how many sites each truck can reach for each trip.

First determine how many tons of food a truck can carry and how many tons each site needs for a delivery cycle. In this case, the trucks have a capacity of 8 MT, but one MT is subtracted due to poor road conditions. If an average site requires 300 kg of peas and 300 kg of WSB every two weeks, divide the truck's capacity by the average weight required for each site, e.g., 7 MT capacity divided by 0.6 MT (600kgs) per site = 12 sites. Therefore, a truck can deliver food to 12 sites on average.

Second translate tonnage into bags, and assume donors package pulses and grains into 50 kg bags, and blended foods, such as WSB, into 25 kg. bags. A biweekly requirement of 300 kg of peas and 300 kg of WSB is then 6 bags of peas and 12 bags of WSB for a site. Since each truck can service 12 sites per trip, it will carry 144 bags of WSB and 72 bags of peas per trip.

The distribution plan for one delivery could look something like this:

Date	Site	Peas (kgs)	Bags	WSB kgs	Bags	Totals
Jan 14	1	300 kgs	6 bags	300 kgs	12 bags	
	2					
	3					
	↓	↓	↓	↓	↓	
	12					
Totals			72 bags		144 bags	7 MT

Distributions are scheduled so that each delivery arrives at least two weeks before their site-level stocks are expected to end. The distribution schedule is staggered between regions so that all sites do not run out of food at once.

Thus, for example, the distribution cycle for the three regions could be:

- **Region 1 receives food on or before January 14 (stocks expected to end on February 1)**
- **Region 2 receives food on or before February 1 (stocks expected to end on February 15)**
- **Region 3 receives food on or before February 15 (stocks expected to end on March 1).**

III. Distribution Site Accountability

Internal Control

A paper trail and documentation system must be developed and maintained at distribution sites that accounts for food received, stored and distributed to project beneficiaries. Procedures should be similar to those required for CARE and counterpart warehouses. However, given the small size of many stores, resources available to manage them and their many other responsibilities, country offices must judge how much of an additional burden to place on sites. For example in India and the Philippines, counterparts' primary responsibilities are to run village centers. Their agencies require them to prepare numerous reports in addition to those required by CARE.

A. Receipt of Food

Persons authorized to receive food must physically count the amount delivered, determine its condition, completely fill out the Receipt Information section of the waybill, and sign the waybill with the transporter. Copy #3 of the waybill is kept by the distribution site.

Distribution site staff must fully understand that they are only to sign waybills for the amount of food actually received. The site will be responsible for all food signed for and may be held liable for any losses discovered by field monitors, auditors or other CARE personnel. Distribution sites must provide CARE or counterparts with sample signatures of all those authorized to sign waybills. All waybills must be filed and accessible to monitors on their inspection visits.

B. Ledgers and Beneficiary Lists

Responsible parties at the site must maintain inventory ledgers for stores which show:

- **Receipts of food. At the time of receipt, the amount must be immediately recorded into the ledger system. A copy of the waybill must be kept in the center file.**
- **Distributions from stores. Site staff must keep a record of the amount of food taken from project stores each day of a distribution. If two bags of peas and two bags of WSB are taken from the store for distribution, this should be recorded in the ledger.**
- **Dates of all transactions**
- **Losses incurred during storage**
- **A running balance of food in stock. The ledgers must be kept up to date so that the balance in the ledgers always matches the actual amount of food in the store.**

Beneficiary lists must be maintained which show dates of disbursements to beneficiaries, the type and actual amounts distributed, and the identity of the recipient by name, family or village.

Amounts taken out of stores on a given day for distribution should reconcile with amount

of food shown distributed to beneficiaries. For example, if two bags of peas and two bags WSB were taken from stores for a distribution, then beneficiary lists should show that the equivalent of four bags was distributed. If less was distributed, store records should show the amount returned to the store or a possible loss should be recorded.

The records must be accessible for CARE field monitor and other CARE personnel during visits.

C. Monthly Distribution Site Reports

1. Preparation

Each distribution site must prepare a monthly distribution report. The report should summarize the total amount of food received during the month, the amount distributed from their stores to beneficiaries, physical inventory remaining in stores at the end of the month, and losses, including the disposition of unfit food.

The report should also include information on:

- The planned number of beneficiaries eligible to receive food and the actual number of beneficiaries receiving food**
- The total amount of food authorized to be distributed and the actual amount distributed**
- The approved individual ration size and the actual ration size distributed.**

Copies of waybills, records of receipts and distributions of food from stores and beneficiary lists are source documents for preparing the monthly reports.

Distribution site reports are extremely important for CARE program managers because they provide information on not only what food was received at sites but also actual

amounts of food that were distributed to beneficiaries. For example, if Site #1 distributed 2.5kgs/person of CSB to 200 persons, but was only authorized to distribute 2.5kgs/person to 100 persons, managers would be alerted to an important problem.

Monthly distribution site reports should not be based on estimates. Apart from field visits by monitors and other CARE staff, these reports provide country offices with the only information on actual amounts of food reaching beneficiaries.

2. Submission

Reports should be submitted to CARE country or regional offices or counterpart offices, within thirty (30) days after the close of each month. Persons at distribution sites should be advised that failure to submit reports on a regular, timely basis could lead to termination of a program.

For distribution sites located near main transportation routes or near cities with CARE or counterpart offices, there should be little problem getting reports in on time.

CARE or counterpart staff should visit distributions site managers located in rural, isolated areas and get agreement, in writing, on times when sites will submit reports.

IV. Registering Beneficiaries

Distributions of food are relatively easy when each site averages only 125 beneficiaries. However, in the early stages of an emergency, conditions can be chaotic and haphazard. Food is distributed to hundreds or thousands of desperately hungry people in a short amount of time, usually in a public setting. However, no matter whether a program operates in a stable environment or an emergency, an effective registration process insures that full rations reach all eligible beneficiaries in an orderly manner.

A. Functions and Responsibilities

A beneficiary registration system has six basic functions:

- **Determine who is eligible for assistance**
- **Identify beneficiaries in a reliable and repeatable way**
- **Insure that eligible beneficiaries only receive one ration**
- **Identify duplicate registrations in an existing registered population**
- **Provide a method of planning for anticipated resource requirements**
- **Provide information for donor reports.**

CARE's responsibilities in the registration process vary depending on agreements with its counterparts and on project objectives. For example, the counterpart may already provide beneficiary lists and have an established registration system. In these cases CARE is responsible only for monitoring and training. In other situations, CARE may be fully responsible for targeting, registering, distributing, and monitoring end-use activities.

Whether CARE is directly or indirectly involved in the physical registration of participants, a poorly functioning registration system can result in large-scale misappropriation of food.

B. Procedures

1. Training and Communication

- **Choose and train special registration teams.**
- **Communicate project objectives and procedures to the target population directly or through community leaders.**

- **Be sure beneficiaries are aware of the purposes of the program. It may be appropriate to use speaker vans, as well as posters, songs, and radio announcements.**

2. Setting Up Operations

- **Be sure there are sufficient staff and transport to perform the registration properly and assure good crowd control.**
- **Use fencing, ditches, or other markers or physical barriers, as necessary, to keep people in one area while registration is taking place. This will minimize confusion during registration of large groups and may insure that no one is registered twice. This is especially important for start-up of emergency programs involving refugees or internally displaced persons in camps.**
- **Begin the registration process in areas where it is likely to be most successful. Registrations are subsequently extended to more problematic areas after the initial registrations have gone well.**

3. Determining Who is Eligible

Within the context of the project, registration should be based on criteria developed by community leaders, counterparts and CARE, which are supported by objective documentation and participant interviews. For example, the major criterion for participation in some child feeding programs is age--children under the age of twelve are eligible participants. Another project may target vulnerable households, with depleted household assets as the major criterion for participation.

Registration may involve collecting the following types of information:

- **Documentation such as birth certificates or immunization cards. In many cases, official**

documentation will not be available.

- **Details about the family, such as number and names of family members, name of family head, and relationships among members. Because the term “family” means different things to different people, project management must agree on a standard definition and apply the definition uniformly across the entire population.**
- **Information about household assets and food consumption patterns.**

Registration should rely heavily on interviews with vulnerable populations and local leaders and the observations of experienced field staff.

4. Identification and Recordkeeping

- **Cards with photographs are the most definitive check of a person’s identity. Identity cards should be pre-numbered sequentially or bar-coded, and filed in a computerized database to facilitate name cross-checking. Cards can include other identifiers such as a physical description or fingerprints.**
- **If identity cards are not feasible, issue tokens, books or tickets.**
- **If necessary, beneficiary lists or other records should include how the identity of the recipient was verified (e.g., a fingerprint or signature) on the day of distribution.**
- **Use skin dyes to mark eligible individuals, if culturally acceptable.**
- **Hold a detailed interview with each family. Place the interview on file for periodic comparison.**
- **Update census information regularly with records of births, death and migration. This is necessary for assessing the percentage of population coverage and gathering statistics for**

planning purposes.

5. Handling Re-registration

- **Conduct registration and re-registration simultaneously at all geographically adjacent centers to prevent people from registering in two centers.**
- **Collect or cancel all previously issued tickets, tokens, books or other types of registration materials during re-registration.**
- **Check and revalidate existing registration documents before re-registration documentation is issued.**

C. Controlling Abuses of the Registration System

1. Types of Abuses

- **Multiple registration of family members at one center**
- **Registration of family members at more than one center**
- **Inflation of family size**
- **Registration of non-eligible individuals**
- **Registration of non-existent or "phantom" families**
- **Sale of beneficiary documents.**

2. Detecting Abuses

- **Random checks of households of registered project participants (inspection of dwelling and possessions)**
- **Random cross-checks of other records, such as medical records or birth certificates**

- **Interviews with people suspected of being registered more than once**
- **Comparison with records from other areas to check for duplicate registrations.**

3. Preventing Abuses

- **In small operations, eligible and ineligible individuals may be identified by sight.**
- **Roll calls and/or card validation before distributions.**
- **The beneficiary must leave some sort of receipt at the distribution site after the ration is received, such as a coupon or token. This way the distribution staff can also check who has not yet received the ration, from unpunched cards, tokens or tickets. Fingerprints and signatures are sometimes used for verification of receipt.**
- **The total amounts of food given out should be compared with the total recorded number of eligible persons collecting the rations.**
- **If the registration is computerized, cards reported to be stolen must be entered into the system to identify if, when, where and by whom the stolen cards are being used.**
- **Distributions must also be verified through end-use interviews of a sample of the target population and review of distribution site records by CARE monitors (*See Monitoring Project Sites*).**

Internal Control

One system of preventing abuses is for one distribution staff member to serve a standard sized ration to all beneficiaries while another makes a record of all who have collected the ration. The amounts are tallied and compared to the remaining stock at the end of the

day by an independent party. If token or coupons are used, these may also be tallied at the end of the distribution.

D. Special Circumstances During Emergencies

Registering participants in the first month or two of an emergency program may not be possible. Initial constraints on beneficiary registration include:

- **A large influx of refugees**
- **A long border in remote, difficult terrain**
- **Lack of administrative resources, including staff, vehicles, and communications**
- **Medical, sanitation, water, and food needs**
- **Difficulty in locating community leaders to assist in the registration**
- **Difficulty in communications**
- **No initial agreements or contracts with the host governments and no mandate for registration to take place.**

If a country office is having difficulties in registering a target population, regional managers and the Food Security Unit at CARE USA Headquarters and/or CI Headquarters and/or local representatives of donors must be contacted and informed of the cause of the problems and the steps being taken to register people. CARE should begin registering participants as quickly as possible after the operation begins, before leaders begin to seek personal advantage. The later the registration, the more difficult generating cooperation becomes. Despite difficulties during emergency start up programs, all CARE emergency projects must have registration procedures in place at the end of the first month of operation.

E. Recipient Status Reports - Monthly

1. Preparation

Country or regional offices project managers or other persons must prepare monthly Recipient Status Reports (RSR).

RSRs should be prepared by donor and by specific projects (PNs).

The report consolidates the information from the monthly distribution site reports. If there are regional offices, the regional offices should prepare reports for their regions and these should then be consolidated at the country office level.

In cases where distribution sites send two or three monthly reports together, include all information on the RSR for the current month being prepared. Do not readjust previous RSRs.

2. Example of RSR

The following is an example of a monthly RSR. The Report is adapted from AID's Recipient Status Report for PL 480 Title II food. It is for only one PN and one donor. If there is more than one PN receiving food resources from one or more donors RSRs would have to be done for each PN and donor.

Recipient Status Report

by PN

For Month December

Country Office: Donor: US PL480 Title II

Regional Office: Region 1

Planned days of distribution: 24

			Beneficiaries		Type of Food				Type of Food			
		#Days Actual			Total		Individual Ration		Total		Individual Ration	
Site#	Report Date		Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
1	JAN	24	125	100	7560	7500	2.5	3.1	7560	4800	2.5	2.
2	JAN	24	125	145	7500	7500	2.5	2.1	7500	5500	2.5	1.
3	OCT, NOV	24	100	80	6000	5000	2.5	2.6	6000	5000	2.5	2.
4	JAN	24	150	150	9000	6000	2.5	1.67	9000	6000	2.5	1.0
5	DEC	24	150	150	9000	9000	2.5	2.5	9000	9000	2.5	2.
6	JAN	24	100	100	6000	6000	2.5	2.5	6000	6000	2.5	2.
7	JAN	18	100	70	6000	5040	2.5	4.0	6000	4050	2.5	4.
8	JAN	24	175	160	10500	9600	2.5	2.5	10500	9600	2.5	2.
9	OCT, NOV	24	110	110	6600	6600	2.5	2.5	6600	6600	2.5	2.
10	JAN	24	150	150	9000	9000	2.5	2.5	9000	9000	2.5	2.
Total (or average)			1285	1215	77160	71240	2.5	2.5	77160	65550	2.5	2.

Prepared by: Name: _____ Title: Asst. Project Mgr. Date: Feb. 10

Approved by: Name: _____ Title: Project Mar. Date: Feb. 12

Note: Use additional forms if a PN uses more than two Types of Food.

Recipient Status Report

by PN

For Month October-December

Country Office: X Donor: U.S. PL480 Title II

Regional Office: _____

						WSB				Peas		
		#Days (avg.)		Beneficiaries		Total		Individual Ration		Total		I
Site#	Report Date	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Plai
	10	24	23	1285	1215	77160	71240	2.5	2.6	77160	66550	2
Total (or average)				1285	1215	77160	71240	2.5	2.5	77160	65550	2

Prepared by: Name: _____ Title: Asst. Project Mgr. Date: Feb. 10

Approved by: Name: _____ Title: Project Mgr. Date: Feb. 13

Note: Use additional forms if a PN uses more than two Types of Food.

The example shows that on average the approved levels of food are reaching the approved numbers of beneficiaries. From an overall management point of view, the project is going relatively well. However, from the report project managers can see:

- **Sites 3 and 9 have been late with their reports.**
- **Site 4 has given only two thirds of the approved ration.**
- **Site 2 distributed only 60% of the required ration of peas.**
- **Site 7 provided food for 18 days instead of 24 and the ration size for both WSB and peas was 60% higher than the approved ration.**

Based on this information, managers may ask field monitors to do follow up site visits to answer questions regarding difficulties in submitting site reports, and possible missing shipments or diversions of food.

F. Recipient Status Reports - Quarterly

Country offices must submit a quarterly Recipient Status Report to CARE and donors. See example above. The quarterly report should be completed within 45 days after the end of the quarter, and it should be submitted with the quarterly Commodity Status and Consolidated Reports. See *Inventory Accounting and Reporting*.

The Monthly RSR provides comparative information for all distribution sites. The Quarterly

Reports for CARE and donors should aggregate numbers for all sites by PN. Only totals need to be shown.

Because quarterly RSRs only provide totals by PN, they may hide specific problems at distribution sites. When patterns begin to appear - consistently late reporting, late arrivals of food at sites, or issues around registering beneficiaries - even though the RSRs themselves are positive, country offices should notify regional managers, other CI members and donors of possible problems.

V. Preventing Misappropriation and Diversion

A. Main Risks of Diversion

The main risks of diversion at the distribution site other than registration abuses described above include:

- **Distributors purposely giving less than a prescribed ration to a beneficiary**
- **Collusion involving site level staff and falsifying distribution records**
- **Lack of crowd control at the site level**
- **Favoritism by the distributor. Some distributors give better quality sections of fish or meat to family members and acquaintances.**
- **Receipt of underweight bags from either the main warehouse or the transporter which do not show up as underweight until the time of distribution. The result of this can be reduced ration sizes to beneficiaries.**

B. Transport and Delivery

- **CARE must encourage sites to report any irregularities in the quality or quantity of food received. All problems should be investigated as soon as possible. If informants are providing information, all measures must be taken to assure that their information is accurate. Steps must also be taken to protect and reward them.**
- **If collusion is suspected among the transporter and personnel at a distribution center, an outside monitor should spot-check by counting a sample of the food while in transit. If the problem appears widespread, the random spot-checks should be part of a country office's regular monitoring plan.**

C. Agreements/Sanctions

- **CARE should have written agreements with sites which specify contractual obligations and penalties, including repayment of the value of losses for criminal activities, misconduct and/or mismanagement. (See Agreements and Contracts.)**
- **When distribution site personnel are not carrying out their responsibilities or sites are performing inadequately, sanctions should be imposed, as soon as practicable, against the distribution site. Sanctions may act as a credible deterrent and show that CARE is serious about its responsibilities to beneficiaries.**

D. Ration Size and Quality

- **Provide standardized scoops (tin cans, buckets) to measure out rations and train people to use them properly. Flexible scoops should be avoided as the sides can be squeezed to reduce the ration. Horizontal slits are sometimes punched into the scoops at the fill line to prevent over-scooping.**
- **If local measurements are commonly used and understood, the metric ration should be converted. For example, the common units of food measurement in Haiti are the marmite**

and the kola bottle. The following table provides the conversion rates of these local measurements into kilograms:

Local Measures Conversion Table (Haiti)

Commodity	Unit	Kg/Unit	Local Unit	Kg/Marmite
Soy-fortified bulgar	sack	50	20 marmites	2.5
Wheat-soy blend	sack	25	13 marmites	1.92
Peas	sack	50	18 marmites	2.78
Oil	gallon	3.48	10 kolas	.34

- **If the ration size changes frequently, scales may be more practical than scoops.**
- **If scales are too time consuming and cumbersome, rations can be pre-measured and pre-packaged at the warehouse for distribution to the sites.**
- **If meats are part of the ration, remove ice and make uniform cuts before distribution.**
- **Sacks and oil cartons should be examined to insure that they are completely empty at the end of the distribution.**

E. Communication

- **The project objectives and ration size must be communicated by speaker vans, posters, songs and radio announcements to the target population to insure that they are aware of the amounts they are entitled to receive and how the food is intended to benefit their lives.**

- **If the ration changes as a result of shortages in the food pipeline, recipients must be told the reason for the changes in the system. Misunderstandings can lead to serious security problems, particularly in emergency situations and in refugee camps. CARE staff must also clearly communicate what the population can expect in the future.**

