



Industry Food Donation Guidelines

March 2019

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3 Processor, Caterer / Restaurant
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Processor Specific Donation Information

A food donation decision matrix is shown in Figure 1. It provides an overview of the concerns a processor may encounter when considering whether un-sellable food should be donated or sent to a food scraps recovery program.

Assessing Product Aesthetic Imperfections and Product Stock Issues

PROCESSING, PACKAGING, AND LABELLING ERRORS

Perhaps the food was packaged with the incorrect brand label, or the ingredients list on the label is incomplete or incorrect. If the food has an allergen (e.g., milk) and this is NOT labelled on the package, this food:

- **IS** suitable for use in a meal program, as long as the chef at the FDO knows that the food contains milk and then informs those who come to eat the meal about the allergen.
- **IS NOT** suitable for a grocery program or non-profit retail program because there is no assurance that the milk allergen information can be consistently shared with those who will be eating it (unless the label can be modified or replaced).

AESTHETIC ISSUES AND IMPERFECTIONS

When a product has been removed from inventory because it is discoloured, misshapen or the wrong size, or does not meet a company's aesthetic standards, it may still be suitable for donation as long as it is nutritious and appetizing. Inform the FDO of the product quality issues. They may use these foods in a meal program where the cosmetic flaws will be disguised when chopped or cooked with other ingredients.

You may wish to offer suggestions to the FDO on how particular products could be used. Some items may be suitable to serve immediately, while others may require further preparation. You will usually know more about the product than will potential recipients. Share information with FDO chefs, staff, and volunteers.

BBD issues. Consult with the QA department before releasing any product. They may perform a QC check to determine shelf life based on bacterial counts (i.e., ACC) or some other criteria. Products just before the BBD may be frozen before sending to FDOs. Food Banks Canada has a chart available for food banks to determine how long past the BBD donated foods may be used.¹ As an example, Table 1 illustrates some of the decisions a processor may make when deciding whether to donate yogurt in retail sized packaging.

Table 1 illustrates some of the decisions a processor may make when deciding whether to send a particular food product (in this case yogurt in retail sized packaging) to an FDO.

Table 1 – Donating imperfect, mislabelled, or returned foods

Food product for donation	Reason for not sending to retail	Send to FDO?	FDO types to donate this food to
Yogurt	Incorrect cream content (too high or too low).	Yes	All FDOs: food bank, meal program, or non-profit retail store
Yogurt	Colour dye issue, product is not correct colour	Yes	Meal program, for use in kitchen
Yogurt	Pasteurization failure, product cannot be further re-worked	No	
Yogurt	Wildberry packed into vanilla containers	Yes	Meal program, for use in kitchen
Yogurt	Production issue, too much carageenen added	Yes	Meal program, for use in kitchen
Yogurt	Cold-storage failure for greater than critical limit (e.g. >24 hrs)	No	
Yogurt	Just before or just past BBD?	Maybe*	All FDOs

* consult your QA department or the supplier to determine if this food can still be donated.

Managing Information: Charitable Tax Receipts, Expenses, Waste Deduction Reports, and KPIs

The example Excel spreadsheet shown in Figure 2 can be used to generate an invoice to the FDO charity. These receipts can provide financial benefits as well as a way to track donations for social responsibility audits and highlight employee achievements. Other businesses find tracking the donations as expenses or waste deductions to be easier and more useful. Either method generates useful statistics for Key Performance Indicators (KPIs): the number of meals and donations, and/ or the amount of food and costs savings associated with not sending to the landfill.

If you also send un-sellable food to food scraps recovery, this would be another useful KPI statistic.

Businesses desiring charitable tax receipts should:

- (1) Check the FDO's charitable status and policy on receipts before making the donation
- (2) Consult with an accountant
- (3) Follow the CRA policy ^{2,3}

While some FDO's may issue charitable receipts for foods near the BBD based on weights donated, some do not. Be aware that they are not obligated to write tax receipts.

Check with your accountant to determine the best option for your company.

Only registered charities can issue a tax receipt, and may discount the value of the donation.

Many companies choose to treat donations as an expense to claim 100% of costs.

Figure 1. Food Donation Decision Matrix

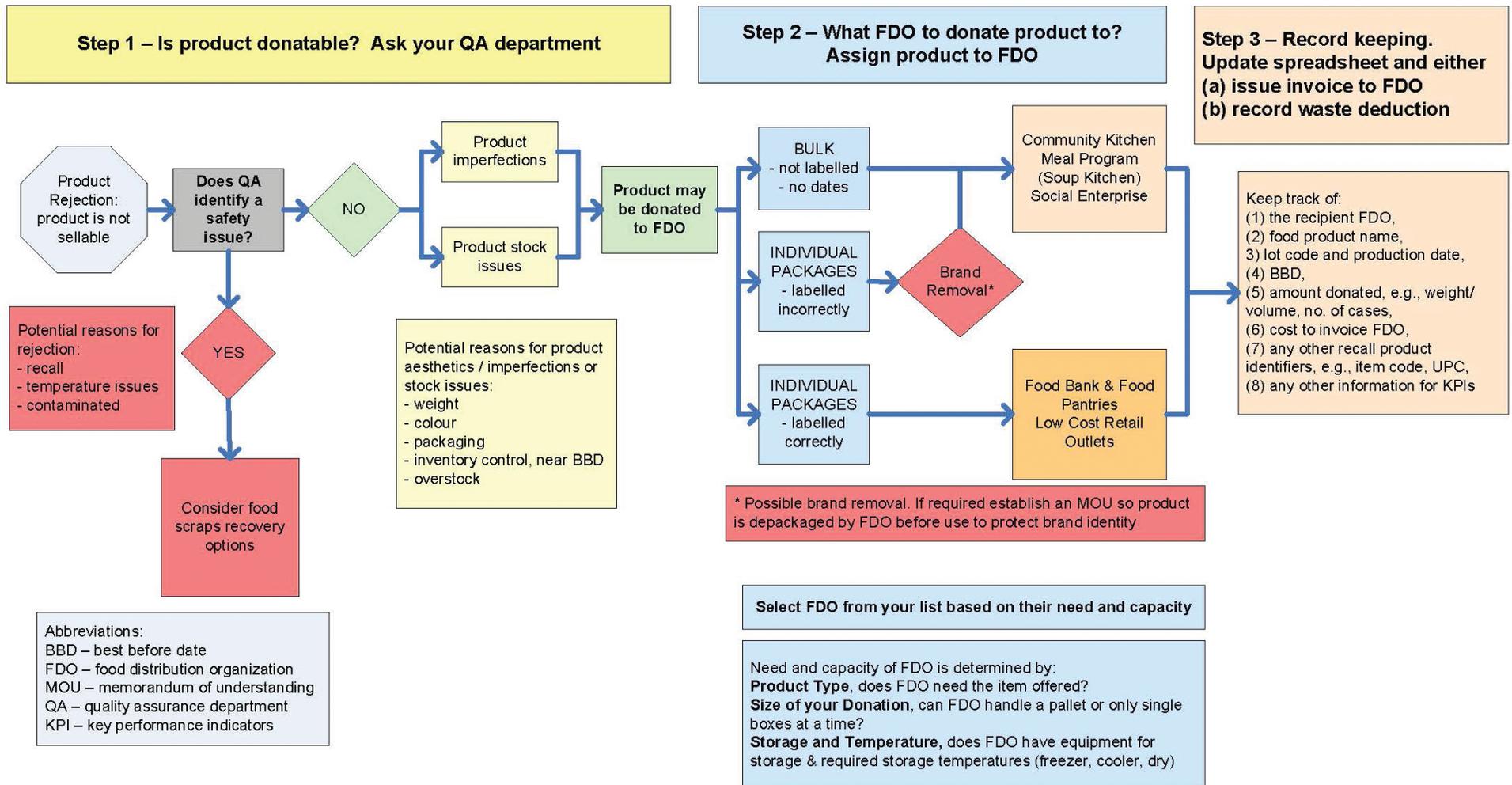


Figure 2– Example spreadsheet for tracking foods donated

Date of donation	Who benefits	Item name	BBD YYMMDD	Lot code	No. of cases or units donated	Total weight donated (Kg)	Item unit cost	COGS by # of units (ttl # units X wholesale cost)	Cost amount to invoice FDO
2014 May 5	Salvation Army	Soy drink mini	14-05-24	120-AM	15	18	\$ 0.30	\$ 4.50	\$ 4.50
2014 May 12	Salvation Army	Yogurt (vanilla)	14-05-30	123-PM	750	735	\$ 2.25	\$ 1,687.50	\$ 1,470.00
2014 May 26	Salvation Army	Cheddar cheese	15-01-03	122	3	75.0	\$ 4.20	\$ 12.60	\$ 12.60
2014 May 26	Salvation Army	Mozza shreds	14-08-01	102-AM	20	200.0	\$ 3.75	\$ 75.00	\$ 75.00
		Sum				1028.0			\$ 1,562.10
								\$ -	
2014 May 14	Quest	Yogurt bars	14-05-30	121-AM	42	46.20	\$ 2.75	\$ 115.50	\$ 92.40
2014 May 14	Quest	Cheddar sticks	14-08-02	125-PM	1	22.0	\$ 15.75	\$ 15.75	\$ 15.75
2014 May 14	Quest	Cheddar slices	14-06-10	92-AM	3.5	175.0	\$ 23.00	\$ 80.50	\$ 350.00
		Sum				243.2			\$ 458.15
2014 May 12	Food Bank	Yogurt (vanilla)	14-05-30	123-PM	5	4.9	\$ 2.25	\$ 11.25	\$ 9.80
2014 May 26	Food Bank	Cheddar cheese	15-01-03	122	200	5000.0	\$ 4.20	\$ 840.00	\$ 840.00
2014 May 26	Food Bank	Mozza shreds	14-08-01	102-AM	10	100.0	\$ 3.75	\$ 37.50	\$ 37.50
2014 May 26	Food Bank	Cheddar slices	14-06-10	92-AM	1.5	75.0	\$ 23.00	\$ 34.50	\$ 150.00
		Sum				5179.9			\$ 1,037.30
		Sum of Donations for May 2014				6451.1			\$ 3,057.55

Name of FDO (charity)

Track BBD for the FDO

Track lot code for traceability in case of recall

When claiming for receipts use wholesale cost

Wholesale value of goods gift out of inventory

This is the value attributed to the item for receipts. IF the item is close to BBD, the FDO either may not issue a receipt, or, they may apply a % reduction to the wholesale value of the item. Check with your FDO, your accountant and the CRA policies on-line.^{3,4}

Keep track of monthly donations and use this as a Key Performance Indicator

If a serving size is 100g, the KPI for this month is 64,511 portions donated!!

Annual donation receipts add up quickly

Catering and Restaurant Specific Donation Information

Foods left over from catering or buffets. Public buffets are frequently offered by caterers, restaurants, and hotels. It is unsafe for FDOs to use or distribute food that has been part of a public buffet where people have served themselves. Foods intended for a public buffet can be donated if they have been:

- prepared in an inspected kitchen,
- held back and not served on the buffet,
- cooled safely and kept refrigerated at 4°C or colder, and
- handled by cooks with food safety training (certification).

Plan to donate before the event. At the end of the event, how will you handle leftovers? Arrangements made before the event will make this easy.

To reduce food waste, consider providing reusable, recyclable, or compostable containers so guests can take leftover food with them. Branded containers are a smart way to promote your commitment to waste reduction to customers.

Temperature control. For caterers and hotels with evening events, cooling or even freezing foods overnight will facilitate safe transfer to refrigerated vehicles.

Traceability. Hotels or caterers donating prepared food should, at a minimum, apply a date of preparation and ensure that the specific food item can be traced back to your company.

Retailer Specific Donation Information

Food separation. Retailers often have a variety of goods to donate. FDOs may accept foods past their BBD, but never except foods past their expiry date (e.g., infant formulas or adult supplements). Best practices for transportation include separating certain items before delivery.⁴

- Household chemicals and health and beauty products from food
- Allergen from non-allergen foods
- Raw from cooked foods
- Pet foods from food for human consumption

Temperature control and perishable products. Temperature control of products is very important, especially for perishable foods. Food Banks Canada guidelines include rejection criteria for perishable food items:⁴

- Reject refrigerated products warmer than 7°C
- Reject frozen protein products warmer than -5°C

Frozen protein products received at -12°C to -6°C, and refrigerated products received at 5°C to 7°C, are considered deviations. Products may be accepted if a supervisor is notified and provides special handling instructions (e.g. freeze/refrigerate immediately), and the deviation is properly documented with appropriate records and authorization.⁴

Some perishable products may be accepted if accompanied by special handling instructions. Minimally processed fruits and vegetables, dairy and egg products should also be maintained between 0°C and 4°C. In cold weather, protect fresh produce, canned goods, and other products from freezing if it can affect quality.⁴

Nutrition and health. FDOs require access to healthy foods to meet the needs of their clients and foster healthy behaviours. For more information on healthy eating, connect with a registered dietitian at HealthLink BC by dialing 8-1-1, or send an email via their website at: www.healthlinkbc.ca/healthy-eating/email-healthlinkbc-dietitian.

References

1. Food Banks Canada. Retail food program, Program manual for local food banks. Appendix B- Best before date. Mississauga, ON: Food Banks Canada, 2014.
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3. Canada Revenue Agency. Gifts out of inventory. Government of Canada; 2011 [cited Mar 14, 2019] Available from: <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/policy-commentary-018-gifts-inventory.html>.
4. Food Banks Canada. Safe food handling program, safe food handling standards. Mississauga, ON: Food Banks, Canada; 2010.



BC Centre for Disease Control
Provincial Health Services Authority

Environmental Health Services

655 West 12th Ave

Vancouver BC V5Z 4R4

Tel 604.707.2440

Fax 607.707.2441

www.bccdc.ca