

Project and Report

**Observations of 501c (3) food banks and safe food handling
and storage recommendations for food pantries**

FST-5904

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A) Project Statement

When I was considering an area of study for my final project back in early May of 2013, I looked back over the many years of my experience in the food processing, purchasing, and distribution industry to consider a topic I was not as familiar with (in the food industry). I found the entire concept of food and subsistence for charity very interesting. In my 21 years of food service, I had limited exposure to any 501c (3) food pantry or food bank; I also had virtually no exposure to any 501c (4) food charities. I knew they were active organizations, mainly run through churches, synagogues, and civic groups; I had no idea of their locations, how they receive inventories for distribution, how they distribute, nor how one would receive these benefits. My first experience with a 501c (3) food distribution charity was in mid-May, 2013. A box delivery truck, (with no temperature control), run by a local charitable organization was giving away excess product they could not keep, (due to expiration dates and limited storage space), in downtown Dunn, NC. The temperature was roughly 80 degrees F that day. I saw raw packaged chicken sitting on top of raw bell peppers and mushrooms, shell eggs in cartons on top of pastries, and packaged meats swollen from heat and exposure. It was then that I decided to report on the 501c (3) charitable food banks and pantries in my area to learn more about how the organizations work, how they are taught and implement food safety, and (given my observations), offer any suggestions in the area of food safety and efficiency.

B) A Brief History of the 501(c) Tax Exempt Organizations that Distribute Donated Foods

“The structure of tax exemption granted to the charitable and voluntary sector outlined in the United States Tax Code was developed through legislation enacted between 1894 and 1969” (1). The earliest reference to tax exemption (in the United States) for any organization was in the Wilson Gorman Tariff Act of 1894 (2). The designation 501c for tax exempt organizations is found in the Title 26 of the US Code. The origination of Title 26 came from the Internal Revenue Code of 1954 and the subsequent Internal Revenue Code of 1986, (which was included in the Tax Reform Act of 1986) (3). Tax exempt organizations are found in sections 501 to 530 in Title 26 of the US Code (4). A list of all tax exempt organizations recognized under the 501c designation are found in the IRS Publication 557 (5).

The sub groups 501c (3) and 501c (4) under Title 26 of the US Code represent the main tax exempt organizations that have an established system in the distribution of food donations. The sub group 501c (3) designation represents Religious, Educational, and Charitable organizations while the 501c (4) designation represents mainly Civic Leagues, Social Welfare Organizations (6). The main difference between the 501c (3) and the 501c (4) subgroups is in the area of political action, in which the 501c (3) subgroup is prohibited. Food pantries (for unprepared food donations) and food rescue organizations (for prepared food donations) are both found under the 501c (3) and 501c (4) subgroup designations. The designated subgroup identifies the organization but

has little to do with the services provided in the area of donated foods. The 501c (3) and 501c (4) organizations share in these services to the public.

C) Government Oversight of Donated Foods

The USDA and FNS implement oversight of donated foods from participating food processors through a variety of food distribution programs (7). The FDA offers safe-handling guidelines for the use of donated foods online (8). Food processors, manufacturers, and groceries are federally shielded from liability through 42 U.S. Code § 1791 (The Bill Emerson Good Samaritan Food Donation Act of 1996). This law, passed in 1996, protects companies and individuals from the liability of donated food products except in the case of “gross neglect” (9). The USDA supplies many food banks and pantries across the United States. Any approved 501c that receives food commodities from the USDA is subject to routine inspection by the Department of Health and Human Services. (10) The USDA also requires documentation that federal guidelines are upheld for commodity distribution. These requirements for documentation record compliance in commodity distribution to families who have low incomes that fall below the recognized levels for poverty. Food pantries that are approved for USDA commodity use are enrolled in The Emergency Food Assistance Program (TEFAP) (11). Each state has their own regulatory agencies that require basic guidelines that vary state to state. These agencies are usually headed by state or county agencies that oversee food safety guidelines and the documentation of donated products. In the 2013 US Fiscal Year,

\$308,169,506.00 in administrative funds and food entitlement allocations were distributed through the USDA to all 50 states and island territories (12). Many of the recipients of TEFAP commodities through participating food pantries are usually enrolled in other FNS run programs such as the Supplemental Nutrition Assistance Program (SNAP), Women Infants and Children (WIC), and the National School Lunch Program (NSLP) (13).

D) Visitation of Three 501(c) 3 Organizations

For the field research portion of my Project and Report, two 501c (3) food pantries (certified in the State of North Carolina by Food Bank NC) and one 501c (3) central food bank (serving Central and Eastern North Carolina) were visited. The corresponding PowerPoint® slides chronicles the observations in the order of visitation, between July 8 and August 5, 2014.

Initially the visitation goal was four 501c (3) food pantries. Gaining access to food pantries (in Harnett and Wake County) proved rather difficult. Pantry managers and workers were highly suspicious of my desire to observe and perceived me as a regulatory threat, (despite my VT Food Science and Technology request letter). Todd Snyder, manager of DUMA food pantry in Dunn, NC offered access to the DUMA facility. It was with Mr. Snyder's help that I finally was granted permission to visit the two food pantries and one food bank reported in this project.

DUMA Food Pantry-Dunn, NC

DUMA Food Pantry is a 501c (3) nonprofit charitable organization located on 319 E. Broad St., Dunn, NC, and is fully registered with Food Bank NC, servicing Eastern Harnett County. DUMA's manager, as previously mentioned, is Todd Snyder. My visitation to DUMA was on 7/8/2014 (see slides #2 – 32). I was educated on product pickup/delivery as well as storage and distribution. The products received were mainly donated food products from grocery store chains throughout the Harnett County area; Food Lion, and IGA inventory labels were the majority. A network of local churches donate canned, shelf stable, and non-food items. All donated products are inspected by sight to prevent reception of compromised, damaged, or spoiled food. The product reception for DUMA occurs early in the morning, and is completed before 11 AM. DUMA employees run a large distribution van, (with no internal temperature control), to the participating grocers. Donated products are divided according to temperature (frozen, refrigerated, fresh, and shelf stable). Due to the limited timeframe of local pickups, (ending before 11AM), DUMA initiated a loading strategy that placed frozen and refrigerated products in boxes on the bottom of the van loading bed. Fresh products were loaded in boxes on top of the frozen and refrigerated items. All three groups were divided and categorized; temperature sensitive items were then covered with thermal insulated blankets similar to RW Tech/Refrigiwear insulated blankets. (14) The insulated blankets, when properly sealed and covered over temperature sensitive products, minimized the loss of cold air. I was surprised at the effectiveness of this

method. Due to space limitations, coolers were not used on the van, but were implemented during distribution. Any dry, shelf stable, and non-food items were loaded toward the back and were used to help seal the thermal blankets around the temperature sensitive products.

Once the products were delivered to DUMA, all products were weighed by item and company donation. This information is logged for the NC Department of Revenue to allow tax deductions for participating donors. A thorough inspection is then given to all temperature sensitive items for temperature integrity, soundness of packaging, and any suggested or use by dating from labels. Frozen items are kept no longer than two weeks before distribution. This is mainly due to the demand of frozen food and limited inventory space. Refrigerated items are distributed in less than one week; fresh items are kept under refrigeration and distributed within (approximately) 72 hours. Canned and shelf stable items are held for up to two years beyond the factory marked “use by” dates. Food products deemed “compromised” in any way during the screening process are discarded. Any food products that are held past these expiration guidelines are discarded; it should be noted that the discarding of food products by DUMA is very rare due to the huge demand of foods needed for food pantry participants.

DUMA conducts food distribution to the public twice a month (on the second and fourth Tuesday). Participants’ total income (per family) must meet the federal poverty guidelines through the Department of Health and Human Services. (15) Some form of documentation proving government assistance for

poverty relief is required as well as some form of government issued picture identification. Once participants are identified and logged (according to family size), they are given a shopping cart and allowed to choose one of three sizes of pre-packaged (shelf stable) food. The food packages are assembled in three sizes to coincide with the number of participating family members and are paired with beverages and beverage mixes. Packages generally are assembled following the 1992 USDA Food Pyramid nutritional guidelines. Frozen, refrigerated, and fresh foods are displayed in coolers. Participants are allowed to choose from the available inventory according to family size. On average, a participating family can expect to receive a week's worth of food in one visit to DUMA, (contingent upon available inventory).

DUMA is staffed completely by volunteers, (with the only exception being Mr. Snyder, the Operating Manager). The volunteer staff, adheres to food safety guidelines set forth by Food Bank North Carolina. Mr. Snyder receives food safety training from Food Bank NC annually as continuing education. Volunteers are briefed on food safety basics for preparation and distribution (no volunteering when sick, proper hand washing for sanitation, use of food grade gloves to cover cuts, training in the separation and disposal of compromised foods, examination of foods during distribution to ensure safety).

Food Bank of Central and Eastern North Carolina

The Food Bank of Central and Eastern North Carolina is one of seven members of the North Carolina Association of Feeding America Food Banks.

(16) Located on 3808 Tarheel Drive in Raleigh, NC, FBCENC has served Central and Eastern NC since 1980. Their mission states: “*No One Goes Hungry in Central & Eastern North Carolina*”. (17) FBCENC operates Monday thru Friday, 8:30am to 5pm. Participating organizations are allowed access to the food bank inventory, with only a shared maintenance fee (see Appendix I). I visited FBCENC on 7/28/2014 during the morning pickup hours (see slides 33-49). Todd Snyder of DUMA Food Panty allowed me to accompany him during DUMA’s weekly pickup, (since DUMA is a registered member of Food Bank NC). After receiving an identification number, I was allowed to enter the food bank. Participating organizations were lined along the isles with utility floats, awaiting a signal from the food bank manager allowing product pickup, (which was self service). Product selection started around 10am. Dry, shelf stable, and non-food groups were stored on racks inside an open-air warehouse. Frozen products were stored in a 15’X10’x8’ freezer to the right of the warehouse. I saw no refrigerated or fresh products. The selection process was far from cordial. Some food pantry managers would run to certain items in the warehouse and demand all of the inventory available without allowing any of the other participants’ access. There was little order in the selection process, it was like a free-for-all with every person grabbing for any item needed. The frozen inventory were housed in bulk food bins inside the food bank freezer. All of the items were mixed together regardless of product. The only exceptions were cased frozen items, which were stacked on pallets with torn boxes. The freezer was full of participants; I found movement quite difficult. Once DUMA had

completed their selection, their products were weighed according to category to calculate the shared maintenance fee. DUMA loaded their inventory in a box delivery truck, loading dry goods in the nose and frozen product toward the middle. The truck bed was 79 degree F. Thermal blankets were used to keep the frozen product cold. In all, DUMA managed to pick up roughly 550lbs (estimated) of product for \$97.00 in shared maintenance. In addition to these items, two cases (around 40lbs) of processed turkey were donated by FBCENC without a shared maintenance charge.

Angier Food Pantry

Angier Food Pantry is a 501c (3) charitable organization located on 69 North Raleigh Street in Angier, NC, servicing northern Harnett County. Angier Food Pantry is managed by Anthony Mennalla. (18) I visited Angier Food Pantry on 8/5/2014, after receiving permission from Mr. Mennalla on 8/1/2014 to observe their Tuesday distribution (see slides 50-70). Todd Snyder of DUMA Food Pantry was most helpful in introducing me to Mr. Mennalla; this facilitated my appointment for observation. Upon my arrival around 11:40 am, Mr. Mennalla was away on a product pickup from local grocers. I found that Angier Food Pantry received basically the same food products from the same sources I observed at DUMA.

Angier Food Pantry was housed in an open-air building, similar to an old garage. The temperature was above 90 degrees F, with a line of participants streaming through the middle of the building toward the outside awaiting

registration for product distribution. All (fresh and refrigerated) fruits and vegetables, as well as desserts and pastries were on tables in the open air ready for distribution. Flies were a real problem. Food pantry employees used fans to combat the swarming. Birds were also a concern; the open access of the food pantry allowed them to fly inside and possibly nest. The frozen products were kept in stand-up freezers behind the tables and chest freezers in the back. A few freezers had temperature log sheets on their doors. The records for these freezers seemed to be kept daily, but I was not entirely sure. One of the chest freezers had a note requesting a weighted item be placed on the left top of the freezer after each use due to a warped door. Canned and shelf stable foods were kept in the back, stacked on shelves. I saw many items that Angier Food Pantry had inventoried in this room a week earlier in FBCENC's inventory. An observation I made among the canned inventory was a large number of dents and even crushed tops. The amount of foods in inventory was much smaller than the foods offered at DUMA. This was due to the smaller size of the Angier Food Pantry. It also showed how quickly the pantry distributed and disposed of its inventory. At the end of the distribution, the fresh and refrigerated products were given away to employees or disposed of.

Recipients of Angier Food Pantry donations must meet the same criteria under federal poverty guidelines and identification as DUMA Food Pantry recipients. The method of distribution was determined by family size, but the participants were directed by the volunteers on how to build their own food bags and had more choice in the selection process. The method was more open and

less regulated than what I observed at DUMA. Participants received fresh, frozen, and ready to eat (foods), bottled beverages, and canned goods. I was surprised to see that this food pantry had long-term-storage meals and dried food products for use in times of weather-related disasters. The all-volunteer staff at Angier Food pantry were very cordial and dedicated. I saw no food safety charts or training material. I did see some hand sanitizer bottles, but no hand washing facilities in the distribution area. The restroom facilities were likely in a part of the building I did not observe, since I was not provided access.

E) Report and Disclosure of Observation(s)

During my visitations of the previously reported 501c (3) organizations, I made the following observations:

- 1) **Conditions of Donated Foods**- In all three visits, I found the conditions of donated foods to be quite sanitary. The only concern I had was the exposure of donated food to birds and insects during distribution, temperature compromise, and damaged packaging (dented cans).

- 2) **Temperature Methods Employed**- The FBCENC facility was fully supplied and capable of handling all temperature control needs for donated foods. The food pantries were at a disadvantage. I did not see one reefer unit truck with refrigerating or freezing capacity in either of the food pantries. I was amazed at the effectiveness of the low cost thermal blankets utilized

by DUMA. The separation of products for quick storage by the food pantries was important on reception days.

- 3) Retention of Foods- This was an issue that I thought would be a major concern, prior to my observations. Interestingly, there was little retention of frozen, refrigerated, or fresh items, (nor canned or shelf-stable items), due to the demand. In my observation, almost all foods that were temperature sensitive, were donated on distribution days, long before spoilage was a concern. The problems I observed back in May of 2013, with food being given away under unsanitary conditions from a single charitable organization was likely due to: lack of facilities and storage space, receiving of too much donated product without proper placement, improper distribution planning, or a combination of all of these factors. The two food pantries I visited had solid distribution schedules and were very well managed.

- 4) Safe Handling Practices of Workers- All volunteer workers in the food pantries are briefed on proper hand washing methods implemented by Food Bank NC. The training is implemented by the food pantry managers who must keep food safety training for certification. Food Bank NC offers this as continuing education. Any worker with an injured hand must have proper bandaging or gloves. Due to the high turnover of volunteer workers, training bears repeating quite often. FBCENC employees had

gloves for the shipping dock style work. They were paid employees and received food safety training through Food Bank NC.

- 5) Observations of Foodborne Pathogen Risk- The possibility of a sick volunteer working at a food pantry was the biggest concern, along with improperly washed hands. Fly contamination as well as bird droppings were another concern. I will admit that this was not a concern in an enclosed facility. Damaged packaging was another concern for pathogen risk, but I honestly did not see anything of note except the dented food cans at Angier Food Pantry.

F) Safe Handling Guidelines/Suggestions from Observation(s)

- 1) Implementation of Product Labeling and Records- The food pantries I observed would benefit from a more thorough labeling and recording system, (for the foods received), to run parallel to the already implemented records, (for the NC Department of Revenue). The records would reflect: product definition (meat, vegetable, dairy, etc.), temperature group designation (frozen, refrigerated, or dry goods), where the product was received (what business donor), date of product reception, name of the worker(s) receiving and weighing the product, and the temperature of frozen and refrigerated products when received, (see Appendix II). The labels could be color coded according to the temperature level of the food products (frozen and refrigerated). (19) Due

to the loose nature of fresh foods and the existing labeling on canned and shelf-stable products, further labeling is not needed. The labeling focus would be only on frozen and refrigerated items. These labels would designate: a color for temperature (ex. white for frozen, blue for refrigerated), an abbreviation for the donor (ex. FL for Food Lion), the date received, abbreviation of the worker receiving the product (ex. JB for John Brown), and the average temperature of the frozen or refrigerated items, (see Appendix III). FBCENC had a labeling system in place for palletized product that covered each of these points.

2) Implementation of Sanitation Methods- There were three areas of concern affecting the implementation of sanitation methods in the food pantries, mainly due to the large number of working volunteers: proper hand washing education of workers, suggested use of gloves when handling product, and having sick volunteer workers refrain from handling food product. As stated earlier, all food pantry managers are trained in food safety by Food Bank NC as a part of certification and all workers are briefed on proper hand washing; my concern was the lack of posted guidelines (for proper hand washing), which is required by all counties in the state of North Carolina in restaurants. I did not see food service gloves available in either of the food pantries I visited. I would recommend having gloves available and training offered for their proper use. Although no worker with a hand injury is supposed to handle food products without

gloves, nothing was posted notifying this policy. Sick volunteers also need to be able to see the same information posted to prevent them from handling food products. All three of these concerns are addressed and implemented as policy at FBCENC.

- 3) Temperature Control Integrity- The only two thermometers I observed during visitation were the integral thermometers on the cooler door at DUMA and the freezer at FBCENC. Neither of these were easy to read to know the correct temperature. Thermometers should be installed on the inside of all freezers and coolers in addition to the integral thermometers. A proper schedule for thermometer calibration must be followed. This policy would benefit both the food pantries as well as the food bank.

- 4) Suggestions for Receiving or Rejecting offered Foods- This applies to the food pantries due to the large amount of grocery items donated from grocery stores and households. Volunteers should be trained that when in doubt, receive the product graciously, but be quick to discard anything suspected of compromise in any way. This goes for any product that is spoiled, damaged, or past date retention guidelines. Turning down product from large donors when inventory space is maximized (especially on frozen, refrigerated, and fresh items) is an important policy to implement. This prevents having to discard product that another food pantry could use.

5) Suggestions for Rotation and Discarding Food Inventory- Food pantries as well as food banks must rotate incoming food products to ensure that donated foods do not fall out of date. Any foods that are suspect in any way from improper rotation must be discarded. This is an important policy to implement. In my visitation, I never heard this policy mentioned as a part of training or posted for employees to read.

G) Conclusion

This Project and Report allowed me to see how 501c (3) food pantries and food banks operate. Many of the concerns I had going into this research were mainly unfounded once daily operations were observed from my observations. This resulted in a few areas of concern I uncovered in my research and visitation. Overall I was impressed with both the food pantries and the food bank I visited. Every city in the United States has a level of poverty that is undeniable. Behind every poverty statistic, percentage, and number is a person and a family. Food banks and pantries do make a difference in fighting poverty. The concerns I uncovered are greatly outweighed by the sound structure and character of the fine individuals who work and volunteer in this industry. Addressing these concerns can make this wonderful industry even better. I came away from my observations humbled by the amount of dedication these workers exhibited in a job that most people overlook.

H) References

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Appendix I

Shared maintenance is a fee charged by regional food banks to cover the costs of utilities, storage, handling, and any accrued expense resulting from the distribution of donated foods to participating food pantries. “The IRS has established that Food Banks are authorized to request network agencies to contribute a shared maintenance fee to share in the cost of procuring and distributing food *as long as individuals being served by a network agency are not charged for food provided by the agency.*” (1) In North Carolina, food pantries pay a shared maintenance cost of between \$.10 to .20 per pound on all food items, excluding bread and dairy items; a shared maintenance fee of \$. 25 per pound is paid for non-food items.

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Appendix II

Sample of Suggested Recordkeeping for Food Pantries

Product reception date

11/XX/2014

Workers receiving product

John Brown, Lucy

Smith

Donating Vendor

Food Lion, #2,

Dunn, NC

Record in lbs.

Product Category:

120# meats ___ vegetable ___ dairy ___ other (describe) _____

Temperature Group:

65# frozen 55# refrigerated ___ fresh ___ canned ___ s/stable

Mean temperature:

22dF frozen 37dF refrigerated ___ N/A

Appendix III

Suggested Labels for Food Pantries

(Blue color for refrigerated product)

FL#2/Dunn

11/XX/14

JB/LS

37deg.F

(White Color for frozen product)

FL#1/Dunn

11/XX/14

JB/LS

22deg.F