



New Mexico Human Services Department

Bill Richardson, Governor
Pamela S. Hyde, J.D., Secretary

Food and Nutrition Services Bureau
Income Support Division
PO Box 26507
Albuquerque, NM 87125-6507
Phone: 1(800)648-7167; Fax: (505) 841-2691

November 17, 2009

Demetrious Giovas
Gadsden Schools
PO Drawer 70
Anthony, NM 88021

Dear Demetrious Giovas,

RE: Charge to Schools, New State Agency Agreement

Regretfully, this year it is necessary to charge every school food service entity (Recipient Agency or RA) that receives USDA commodities through the Food and Nutrition Services (FANS) Bureau. This charge will help cover the administrative expenses incurred by the Human Services Department (HSD) for this service. It has been determined that the fairest and least expensive way to charge RAs is to use the average daily participation (ADP) figures, in the following categories:

Category	Administrative Fee	Category Fee	Total Fee (x ADP)
All Direct Ship	.45	0.0	\$.45
Pick Up at FANS (Storage only)	.45	1.50	\$1.95
Delivery of Bonus only (Rest is direct ship)	.45	2.00	\$2.45
Full Service (Storage and Delivery by FANS)	.45	4.00	\$4.45

Enclosed is your agency's invoice for this school year. It may be paid in full or in two payments. The first payment is due by December 15 and the second payment will be due by April 15. Please remit to the address on the invoice.

Also enclosed is the new **HSD/ISD/FANS COMMODITIES DISTRIBUTION AGREEMENT**, which has been approved by USDA. In this agreement, there is language that a charge will be assessed to each RA, if funds are not available from other sources each school year. This agreement must be signed by the Superintendent and returned to the FANS Bureau by December 31 in order to continue being a Recipient Agency for USDA Commodities.

HSD is again requesting funding from the Legislature to cover this cost in subsequent school years, but do not know if this request will be funded.

If you have any questions, please feel free to contact me at (505)841-2696, or Pauline Raia at (505)841-2625. Thank you for your prompt attention to this matter.

Sincerely,

Mary Oleske, MS, RD
FANS Bureau Chief

Human Services Department
Income Support Division
Food and Nutrition Service Bureau
P.O. Box 26507
Albuquerque, New Mexico 87125

IISD/ISD/FANS COMMODITIES DISTRIBUTION AGREEMENT

RECIPIENT AGENCY (RA): Gadsden Independent School District
(Name of School)

(Mailing Address): P. O. Drawer 70 Anthony, NM 88021
Street/P.O. Box City Zip Code

FOOD SERVICE DIRECTOR CONTACT INFO (FSD):

Name FSD: Demetrious P. Giovas *Demetrious P. Giovas*
Print Name Signature

Mailing Address P. O. Drawer 70 Anthony, NM 88021
Street/P.O. Box City Zip Code

Email Address: dgiovas@gisd.k12.nm.us

Phone #: (575) 882-6771 Fax #: (575) 882-6779

This Agreement (Agreement) is entered into between the New Mexico Human Services Department Income Support Division's Food and Nutrition Services Bureau (HSD/ISD/FANS), herein referred to as the **DISTRIBUTING AGENCY (DA)**, and the **RECIPIENT AGENCY (RA)** pursuant to certification by the New Mexico Public Education Department (PED) as an authorized participant under the National School Lunch Program. Application is hereby made for the receipt of United States Department of Agriculture (USDA) commodities. Due to reduced legislative funding for the storage and distribution of USDA commodities, the (DA) must now assess a charge to the (RA).

In consideration of the mutual promises set forth herein, the Agencies agree as follows:

DISTRIBUTING AGENCY (DA) Agrees To:

1. Determine, after all known available state funds are applied towards the estimated costs of the program, the annual charge to the RA necessary to cover the remaining costs of USDA commodities transfer. The charge will be based on the estimated costs to operate the program for the FANS Bureau for the fiscal year and then divided among the participating schools according to the PED-provided school lunch Average Daily Participation (ADP) rates for March for each respective RA. The operational costs of the

FANS Bureau shall include program-related salaries of critical staff (administrative, warehouse and drivers), maintenance of storage units, fuel costs and per diem.

2. Notify the **RA** in April of each year via mail the charges for storage and delivery of USDA commodities for the upcoming fiscal year that begins July 1st.
3. Bill the **RA** bi-annually for storage and delivery of USDA commodities. Alternatively, allow commodities to be picked up at the Food and Nutrition Services (FANS) Warehouse, if notified in writing by the **RA** prior to May 31st. In order to ensure proper procurement procedure is followed the **RA** cannot use a commercial distributor for storage and delivery of USDA commodities unless the state **DA** has a contract with the commercial distributor to store and deliver USDA commodities for the schools in New Mexico.

RECIPIENT AGENCY (RA) Agrees To:

1. Receive title of USDA commodities upon signature for receipt.
2. Abide by inventory procedures set forth and provided by the **DA**.
3. Provide payment for distribution and storage costs within thirty (30) days of the invoice dates (October 31st and April 30th).
3. Maintain accurate records of all transactions pertaining to the receipt of USDA commodities for three federal fiscal years (July 1-June 30).
4. Notify the **DA** in writing of any changes in Governing Agency Official (School Superintendent) and Food Service Director within thirty (30) days of the change.

Both the DISTRIBUTING AGENCY (DA) and the RECIPIENT AGENCY (RA) Agree:

1. To be held to the terms and conditions set forth in this Agreement
2. That this Agreement contains the entire understanding between the Agencies and that any Amendments to this Agreement must be in writing and signed by both parties.
3. That either Agency may rescind this Agreement only after thirty (30) days written notice is provided.
4. That failure to comply with the provisions of this agreement may be disqualify the **RA** from further participation in the USDA Commodity Program, subject to applicable laws and regulations.
5. That unless otherwise terminated, this Agreement will automatically renew one year from the date signed by all parties.

This Agreement shall become effective when signed by the parties.

Mary Oleske, Bureau Chief for DISTRIBUTING AGENCY DATE

RA CERTIFICATE OF AUTHORITY

I hereby certify, as the Governing Agency Official, that I am authorized to enter into a formal agreement with the Distributing Agency for USDA commodities. The above-named Food Service Director is hereby given the authority/responsibility to serve as the Recipient Agency Contact person and to further delegate authority for receipt of commodities.

I further certify that I have read and understand the terms and conditions of this Agreement and will assure compliance with the Agreement and with all federally mandated USDA rules and regulations, including the proper usage, storage and accountability of all USDA commodities received by our Agency.

GOVERNING AGENCY OFFICIAL: _____
(School Superintendent) Print Name Signature

Email Address: _____

Phone #: _____ Date: _____



INVOICE

NM Human Services
 Administrative Services Division
 Accounts Receivable Bureau
 PO Box 2348
 Santa Fe, NM 87504-2348

DATE: November 6, 2009
 INVOICE # 10-4000022-01
 FOR: Gadsen Schools


Phone: (505) 827-9483 Fax: (505) 827-8103

Bill To:
 Demetrious Giovas
 Gadsen Schools
 PO Drawer 70
 Anthony, NM 88021

DESCRIPTION	AMOUNT						
Dear Demetrious Giovas:							
This is an invoice for storage and delivery costs of commodity food provided by the Human Services Department for school lunches. The charge to your school is indicated below. This is the only invoice the school district will receive. Please pay the invoice in two payments as follows:							
<table border="0"> <tr> <td><u>COST PER LUNCH</u></td> <td><u>ADP</u></td> <td><u>AMOUNT</u></td> </tr> <tr> <td style="text-align: center;">\$4.45</td> <td style="text-align: center;">11,356</td> <td style="text-align: center;">\$50,534.20</td> </tr> </table>	<u>COST PER LUNCH</u>	<u>ADP</u>	<u>AMOUNT</u>	\$4.45	11,356	\$50,534.20	
<u>COST PER LUNCH</u>	<u>ADP</u>	<u>AMOUNT</u>					
\$4.45	11,356	\$50,534.20					
Payment # 1 - Due 12-15-2009	\$25,267.10						
Payment #2 - Due 04-15-2010	\$25,267.10						
Please send payment to: NM Human Services Department ASD Accounts Receivable Bureau P.O. Box 2348 Santa Fe, New Mexico 87504-2348							
TOTAL	\$ 50,534.20						

Please reference invoice number when submitting payment.
 If you have any questions concerning this invoice, contact Danita Diaz, 827-9483, danita.diaz@state.nm.us .

Sincerely,

Danita Diaz 11-06-2009 
 Danita Diaz, Accountant Auditor
 Accounts Receivable Bureau

Enclosures