



Bulk Product Donation Guidelines



Fighting hunger. Nourishing our community.

The Food Group Bulk Product Donation Guidelines

Thank you for considering a bulk product donation to The Food Group! Many commercial food processors, distributors and retailers make donations of nutritious food and other products in bulk. Donations are a great way to move close dated or surplus product, finish up distribution of discontinued or seasonal packaging or products, and reduce your waste! Depending on the circumstances, we may even be able to pay the freight to get the product to our warehouse or pick it up ourselves, thus reducing your storage, transportation or disposal costs. You can also rest assured that everything that is donated to us goes out to our food shelf partners absolutely free. We do not charge any administrative or handling fees on any donated product, unlike many other food banks. We run a full service warehouse, with refrigerated and frozen storage, so we can receive perishable and non-perishable items. We also accept pet supplies and household items.

GOOD FOR BUSINESS, GOOD FOR OUR COMMUNITY

WHAT: Donate your product and feed local families experiencing hunger.

WHO IS HUNGRY: Despite a recovering economy, hunger persists in Minnesota. One in ten Minnesota households is affected by hunger, and approximately one third of those impacted by hunger are under 18 years old. Poor nutrition adversely impacts students' thinking skills, behavior, and health, all factors that impact academic performance.

WHY PARTNER WITH THE FOOD GROUP: Your donation will feed local community members experiencing hunger, and demonstrate your dedication to the community.

The Food Group is focused on creating access to fresh produce, nutritious foods, and culturally specific options through all of our programs. We are recognized as a leader in advancing equity in the local hunger relief system. Our work ensures community members can access food that fits their dietary needs, is familiar to them, and they know how to prepare.

In 2016, The Food Group was awarded the Minnesota Department of Human Service's Commissioner's Circle of Excellence Award in recognition of our pioneering leadership and ongoing commitment to fighting hunger and creating increased access to nutritious foods. By partnering with The Food Group, you are aligning your company with these critical values and fighting hunger.

A PARTNERSHIP TO BE PROUD OF: We will proudly promote our partnership via our website, social media and printed materials (or keep your donations anonymous, if preferred). We can work with you on what makes the most sense with your needs and the audience you seek to reach regarding your philanthropic endeavors.

YOUR SUPPORT IS GOOD FOR BUSINESS: Impress your customers by showing them how you are giving back in a time of such great need! It's an excellent way to boost employee morale and engagement as well.

DONATE WORRY-FREE

In 1996, the Bill Emerson Good Samaritan Act was passed, which was created to encourage the donation of food to non-profit organizations that would benefit the hungry. The law protects all food and grocery donors, including individuals, corporations, partnerships, associations, governmental entities, wholesalers, manufacturers, retailers, farmers, gleaners and non-profit feeding program administrators who donate food and grocery products in good faith. There has never been a case of a company being sued for a good faith donation of food; this is a common myth. Our warehouse follows food safety practices, so you can trust that your donation will be handled properly.

The Act provides protection for food and grocery products that meet all quality and labeling standards imposed by federal, state and local laws and regulations, even though the food may not be "readily marketable due to appearance, age, freshness, grade, size, surplus or other conditions". Examples of required federal labeling standards include the name of the food, the food's manufacturer and the net quantity of contents.*

To receive liability protection, it is also required that the food must be donated to a non-profit organization that distributes the food to needy individuals at no cost to the end user – and you can rest assured that The Food Group always complies with these requirements! We never charge our partners or end users any kind of fee for donated items.

In addition to Federal Law, Minnesota also has its own Food Liability Law (Statute 604A.10) which protects food donors from liability, and even goes above and beyond the Good Samaritan Act by providing protection to donors who are giving food directly to the end user, rather than going through a hunger relief organization. Additionally, in Minnesota, there are no laws in place that prohibit the sale or donation of food products past their quality date, even for the limited foods that do require quality date labeling (eggs, shellfish and perishable items).

** Please note that if the food is not labeled with this information, it will NOT be covered under the Good Samaritan Act, however, it will be if this information can be provided.*



TAX BREAKS

Many donations of food are also eligible for an enhanced tax deduction under IRS 170(C)(3), which goes above and beyond a standard tax deduction. In December of 2015, Congress passed a bill that expanded the types of businesses that are eligible for tax breaks to include all business forms (C-Corps, S-Corps, Partnerships, LLCs, Sole Proprietorships), and made these tax breaks permanent! With a standard tax deduction, only the basis (cost of procuring or producing the product) can be deducted, but with the enhanced tax deduction businesses can deduct the lesser of (a) twice the basis value of the donated food or (b) the basis value of the donated food plus one half of the food's expected profit margin.

Example:

A farmer donates a crate of apples with a Fair Market Value of \$100. The basis value of these apples was \$30, thus making the expected profit margin \$70.

- a. Basis Value x 2 = $\$30 \times 2 = \60
- b. Basis Value + (expected profit margin/2) = $\$30 + (\$70/2) = \$65$

So in this case, the deduction would be \$60, since this is the lesser of the two values.

To qualify for the enhanced deduction, the following criteria must be met:

1. The recipient organization must be a registered 501(c)(3) (The Food Group is!)
2. The recipient organization must distribute the food in a manner consistent with the purpose constituting that organization's 501(c)(3) status (The Food Group does!)
3. The recipient organization must distribute the food to needy individuals free of cost (The Food Group does!)

A protocol has also now been established for determining the Fair Market Value (FMV) of food products, which is particularly helpful in cases where the FMV could not easily be determined previously (such as with off spec products, or imperfect produce). These items can now be valued the same as similar marketable products. This is particularly important because previously, when the FMV of a product was not easy to determine, it was difficult or impossible to calculate the enhanced tax benefit. This can potentially help donors offset costs associated with product donation, such as harvesting, packaging or transporting product.

The bill also increased the cap on donations for C-corporations (from 10% to 15%) and non-C-corporations can deduct up to 30% of their taxable income, and amounts in excess of these percentages can be carried forward for up to five years.

The Food Group will provide your company with a donation receipt as well as a Thank You letter acknowledging your donation and providing a record for tax purposes.

Please note that this is not intended to be legal advice, consult your tax advisor for details.

What to Donate to The Food Group

Most Impactful Items:

Meats, Fish and Protein – canned tuna, chicken or turkey, chili, peanut butter, canned/dried beans, frozen meat/fish, nuts, eggs

Fruits and Vegetables – 100% fruit/vegetable juice, fresh produce, dried/frozen fruits or vegetables, canned fruits in juice and canned vegetables with low or reduced sodium

Whole Grains - cereal, rice, pasta, quinoa, millet, oats, grits flour (gluten free is great too!)

Hygiene and Household Products – Shampoo, deodorant, soap, diapers, baby wipes, toilet paper, feminine hygiene, toothpaste, laundry detergent, paper towels, kitchen and bathroom cleaners

Items We Accept:

- Rejected loads (still safe for human consumption or use)
- Discontinued items
- Off-spec items (including imperfect produce)
- Damaged items (some restrictions apply)
- Unlabeled or mislabeled products*
- Close or past dated items**
- Surplus inventory/production overruns
- Non-expired baby food/formula
- Over-the-counter medications (non-expired)
- Food service packaged items
- Health and beauty aids
- Household cleaning items
- Paper products (toilet paper, paper towels, paper bags)
- Packaging items (boxes, plastic bags, tote bags, etc.)
- Venison (only if processed by an approved processor, please call for details)

Items We Can NOT Accept

- Items with open packaging, resulting in exposure of product
- Homemade baked or canned goods or eggs from backyard chickens
- Shelf stable product that is more than 12 months past it's quality date coding (some exceptions apply)
- Canned goods that are leaking, bulging, rusty, or severely dented
- Food items with no ingredient listing available
- Frozen items with visible freezer burn
- Past date baby food/formula items
- Foods exhibiting a change in color or odor, or items with visible mold or insect damage
- Food and beverages containing alcohol
- Perishable foods that were not kept at the appropriate temperature
- Foods that have been placed before the public (i.e. buffet items)
- Items that do not comply with our Healthy Foods Policy (chips, candy, sugary drinks, etc. Available on our website: <https://thefoodgroupmn.org/content/uploads/2015/11/The-Food-Groups-Healthy-Foods-Policy-for-Reference-FG.pdf>)

** For items that are not labeled, or are mislabeled, the following information must be provided to qualify for liability protection and enhanced tax deduction:*

- All ingredients contained in the product
- The name and location of the manufacturer, packer or distributor
- The net quantity of contents of the package

*** See the next page for specific requirements around product dating*

Past Date Donation Acceptance Guidelines

The Food Group does accept donations of products that are past the quality date on the package. There is no federal or state law that prohibits the donation of past date food. Many canned and boxed products are safe to eat long after the date on the container, and the shelf life of refrigerated and frozen foods can be extended if they are handled properly. Once a perishable item is frozen, it doesn't matter if the date passes—foods kept frozen continuously are safe indefinitely, though the quality slowly deteriorates over time. Food Bank staff monitors this food to ensure that the quality remains good.

Currently, the only foods that are required by federal law to have expiration dates are baby food, infant formula, and over-the-counter medications. The Food Group cannot accept donations of baby food/formula or over the counter medications that are past their expiration date. However, some products designed for babies such as juice or crackers can be accepted past their quality date and are safe to eat.

Below are the standards that we have set as an organization. Please read carefully, as these standards may differ from other organizations.*

Type of Product	Storage Conditions	Unacceptable Conditions
Dairy and Egg Products	Refrigerated (Must be chilled below 40 degrees F)	<ul style="list-style-type: none"> Past quality date* Products that have not been maintained below 40 degrees F Damaged packaging
Shelf Stable Goods	Dry	<ul style="list-style-type: none"> More than 12 months past quality date Bulging, leaking or significantly dented cans Home canned Damp or stained boxes/packaging
Fresh Produce	Dry or Refrigerated	<ul style="list-style-type: none"> Produce exhibiting decay, mold or other deterioration
Meat, Poultry, Seafood	Refrigerated or Frozen before date	<ul style="list-style-type: none"> Products that have not been maintained below 40 degrees F Past date but not frozen More than 6 months past freeze by date (even if frozen) Leaking/mold/freezer burn or other visible deterioration
Frozen Foods	Frozen (Must be maintained at 0 degrees F or lower)	<ul style="list-style-type: none"> Defrosted product Damaged packaging Significant Freezer Burn More than 6 months past quality date
Bread/Bakery Items	Dry or Frozen before date	<ul style="list-style-type: none"> Mold Sugary sweets More than 6 months past quality date
Prepared Foods	Chilled or Frozen before date (Must be chilled below 40 degrees F)	<ul style="list-style-type: none"> Some exclusions apply, please contact for details
Household Goods	Dry	<ul style="list-style-type: none"> Damage to packaging Expired over-the-counter medicines

*Some exceptions apply, please call us with questions