



Product Valuation Policy

Policy Level: Board level

Policy review and recommendation committee: Board Finance Committee

Last revised on: February 26, 2015

Purpose of this policy: To set a common and constant methodology for product valuation that is aligned with Generally Acceptable Accounting Practices (GAAP).

Product Valuation Policy

Donated Food

Marion Polk Food Share calculates its value of donated food at the rate Oregon Food Banks uses to calculate their value of donated food (which is determined by Oregon Food Bank's Inventory Valuation Policy.)

Government Commodities (USDA)

USDA commodities are valued at the price provided by the Department of Agriculture at the time of receipt.

Purchased Food

Purchased food will be valued at actual cost to acquire the product.

Delivery fees for food

Marion Polk Food Share regularly has to pay delivery fees for donated food. These fees will be treated as delivery fees and not as a purchase price. Therefore donated foods will be valued at the donated food rate, not the price to receive the food. (The most common delivery fee for donated food is paid to Oregon Food Bank and is billed as a "shared maintenance" fee.)

Delivery fees paid for purchased food will be added to the actual cost of purchased food.

Notes:

- Marion-Polk Food Share ties its Product Valuation Policy to Oregon Food Bank's Inventory Valuation Policy because OFB has the organizational capacity to annually compare its product mix to Feeding America's Product Valuation survey.
- Marion-Polk Food Share has chosen to link its Product Valuation Policy to Oregon Food Banks valuation model rather than linking to Feeding America's valuation model because the Food Share's product mix is more aligned with OFB product mix than it is with Feeding America's product mix.

Attachments

1. Marion Polk Food Share's quick guide to its Product Valuation.
2. Oregon Food Bank's Inventory Valuation Policy as of 5/30/2012.

Marion Polk Food Share's Quick guide to Product Valuation*

Category	Method
Donated Food	Fair Market Value -- Linked to Oregon Food Bank's annual Inventory Valuation Policy
Government Commodities	USDA Commodity price
Purchased Food	Actual Cost

* See Marion-Polk Food Share's Product Valuation policy for a more detailed explanation of how value of food is determined.