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# Handling Fees

## **1. What are Handling Fees?**

The Idaho Foodbank does not charge its Partner agencies for food. Rather, the agencies contribute Handling Fees to help partially offset the cost of The Idaho Foodbank's services.

## **2. Why are Handling Fees necessary?**

The continual maintenance of a professional-quality food distribution organization costs money. Handling fees help to defray a portion of these costs. Many services are donated, but it is not possible to procure underwriting for all costs associated with the distribution of over 6 million pounds of food to our network of Partner agencies throughout Idaho.

## **3. What do Handling Fees cover?**

The Idaho Foodbank maintains three facilities - in Boise, Lewiston and Pocatello - with a total capacity of more than 67,000 square feet of usable storage space. Each Foodbank facility has both frozen and dry storage to respond to local demands. Each site has utility and maintenance costs (including upkeep on the coolers and freezers); staff and equipment; and transportation costs in either our own or leased trucks that bring product in from throughout the country. Handling Fees cover a small portion of these operating expenses – approximately 3% of the total cost to obtain, store and sort food. The Foodbank covers the rest of the expenses with donations from corporate and foundation grants, special events, individual contributions, and other sources. The Foodbank also relies heavily on volunteers to assist with every aspect of operations.

## **4. What are the advantages to agencies that receive food from The Idaho Foodbank?**

The Idaho Foodbank performs many functions that are difficult for small agencies. The Foodbank:

- Solicits food from national, regional and local sources, which allows agencies to select from a wide variety of food. This helps them to provide nutritionally-balanced food supplies.
- Organizes large food drives.
- Provides national, regional and local transportation, as well as warehouse and refrigeration space for donated food.
- Supplies warehouse and office staff, quality-control checks, and volunteers to insure the safe handling of food.
- Does fund-raising and writes grants to offset costs.

- Conducts public relations and marketing campaigns to bring awareness to hunger issues.

As a result of these services, the smaller agencies are free to spend more of their funds providing specialized services for their clients. It also greatly increases the public's trust when a non-profit makes sound use of its financial donations, and The Idaho Foodbank has been designated the most efficient non-profit agency in Idaho by Charity Navigator, an independent national monitoring agency.

#### **5. Who owns the food received from The Idaho Foodbank?**

Although agencies pay handling fees to The Idaho Foodbank to help offset costs, these fees do not give ownership of the food received to The Idaho Foodbank or the Partner agencies. The Idaho Foodbank and its Partner agencies are the "pipeline" to get the food from donors to those in need. Neither The Idaho Foodbank nor the Partner agencies ever "own" the donated food. The food is owned by the end users – hungry Idahoans who are eligible to receive assistance. Consequently, neither The Idaho Foodbank nor the Partner agency is allowed to sell or trade the food.

#### **6. Are there exceptions to these rules?**

There is one, known as VAP – value added processing. Some commodities come to Feeding America or to The Idaho Foodbank unpackaged. These may include protein (particularly fish), produce, and donations for the "Meat the Need" program. Feeding America or The Idaho Foodbank pays for the packaging and then must pass the cost along.