5.4.1 Commit Entitlement Based on Estimated Price at Time of Sales Order

- USDA rolls prices up to a national level to compute the entitlement usage value at time of SO until such time that direct cost of items ordered is available
- Funding is based on the program catalog the product is ordered from
- Entitlement charges per sales order line item are derived from, but not directly related to, the actual cost of the items purchased as shown on the related purchase order line item
• All recipients are charged the same amount entitlement dollars for orders placed at the same time
• States determine product allocation and assignment of entitlement charges to schools/districts
• All handling fees charged by state WH or distributors is borne by the recipient and does not come from entitlement $
  o High fees may preclude recipients from ordering low value products
  o Handling fees may represent “revenue” for some states, or deemed necessary to maintain WH staffing levels
  o Not all states charge handling fees, e.g. North Carolina pays for state expenditures from state funds

5.4.2 Weekly Report – PO Prices by Material to Get New Purchase Price
• An automated report runs each week to determine the average price paid by commodity
• The program determines the current price per item that updates the system in multiple places

5.4.3 Open SOs Updated with New Average Price
• The program automatically updates open SOs with the derived current (market) price
• Funds commitments are updated accordingly

5.4.4 PO Associated with Sales Order
• Purchase requisitions are created with reference to the SO and carry that data through to the PO

5.4.5 Program Takes Average $ per Unit and Updates SO
• Program continually updates the SO with the new current price each week until the SO is confirmed

5.4.6 Funds Source is Associated with SO Sold To
• This provides the linkage between the SO and the funding source

5.4.7 Customer Self-Reports Entitlement Usage in WBSCM
• States and Larger RAs manage their entitlement allocations/drawdowns through available reports on WBSCM
• Some state systems connect to WBSCM. State staff are the only ones who access WBSCM to order and manage entitlement. Allocations, receipt of shipments and inventory management are done in the state system.
• **Pain Point:** Large reports can time out in the system. Opportunity to leverage BI for analytical reporting