



Oregon-Approved Value Pass-Through Methods

<u>Value Pass Through Method</u>	<u>Who is Invoicing the RA and at what price?</u>	<u>When is the value of the USDA Foods realized?</u>	<u>When are commodity lbs. drawn down?</u>	<u>Additional Notes:</u>
Refund/Rebate to RA	Distributor invoices the RA. RA's invoice is for end items at Commercial price.	After proper paperwork is submitted by the RA or Distributor to the Processor and the rebate is given.	Processor draws down pounds after the rebate check is issued and sent to the RA.	RA or Distributor submits documentation to the Processor requesting reimbursement for the USDA Foods value of end items along with supporting documentation that cases have been received by RA.
Direct Discount to RA	Processor invoices RA directly.	At time of shipment from Processor, invoice shows the discount for the value of the USDA Foods.	Processor will draw down pounds at time of shipment/invoice to the RA.	
Net Off Invoice (NOI)	Distributor invoices RA at the commercial price deducting the value of the USDA Foods. The discount is the pass-through value in that end item.	At time of shipment from the Distributor to the RA.	Distributor reports the transaction to the Processor and the Processor's tracking system draws down the pounds.	Distributor pays commercial price and passes on the discount for the value of the USDA Foods to the RA. The Distributor bills back the Processor for the value of the USDA Foods sold. In other words, Distributor charges commercial price and provides a discount to the RA. To capture those funds from the Processor, they submit billbacks for reimbursement.
Fee For Service - Direct	Processor invoices RA at the Fee for Service price.	At time of shipment/invoice from the Processor to the RA.	At time of invoicing, Processor will draw down pounds.	"Fee for Service" implies the only charge is for everything it takes to produce the end item EXCEPT for the USDA Foods contained in the case.
Fee for Service – Through a Distributor	Processor invoices RA at the Fee for Service price.	At time of invoicing to the RA.	At time of invoicing to the RA.	RA will receive two invoices: one from the Processor for the FFS price, and one from the Distributor for storage/handling/delivery fees.