

Second Harvest Heartland (SHH)

SHARED MAINTENANCE/HANDLING FEE

How it Works

What is shared maintenance?

Second Harvest Heartland (SHH) and most America's Second Harvest food bank members share the cost of handling and shipping food with their member agencies and programs. This handling fee is called "shared maintenance". The handling fee charges are determined on a per pound basis for food and non-food grocery items. IRS rule 170 (e) (3) states that such a system is permitted if charges are not passed along to individuals and the fee is not based on the value of the product.

How much is the shared maintenance fee?

The average fee collected by SHH from member agencies is 5 cents per pound with a maximum charge of 16 cents per pound plus a potential 2 cent per pound delivery fee. In the Twin Cities metro area there is a \$10 minimum and \$50 maximum charge for agencies utilizing the delivery service.

Does Second Harvest Heartland sell donated food to agencies?

SHH does not sell donated food or grocery products to our member agencies and programs. Seventy percent of the food distributed by SHH is donated from food corporations by the case, pallet or truckload.

Does SHH profit from the shared maintenance fees?

Although the food donated by corporations is free, it is not possible to operate a food bank without the expenses of transportation, staff, equipment, facilities and other essentials. The handling fees cover approximately 12 percent of SHH's operating expenses. There is no shared maintenance fee charged for the products distributed through the Food Outreach program (mobile food events).

What is the cost per pound of distributing food?

The most accurate way to measure the efficiency of a food bank is the expense of distributing a pound of food (operating budget divided by pounds distributed). The operating costs at Second Harvest Heartland are 22 cents per pound of food distributed. The national average cost for America's Second Harvest member food banks is 26 cents per pound.

What are the benefits of being a SHH member agency?

SHH is Minnesota's largest food bank and the largest food bank in the Upper Midwest. We will distribute 33.5 million pounds of food and grocery products this year to 950 member agencies and programs in a 59 county service area in Minnesota and Wisconsin. Member agencies benefit from 98.5 percent pick/fill accuracy rate with their orders of food and grocery products from Second Harvest Heartland.

SHH is a member of America's Second Harvest – the Nation's Food Bank network, which has 207 member food banks serving every state in the U.S. America's Second Harvest holds its members to exceptionally high standards in safe food handling, governance, fundraising and the solicitation of food and funds. Second Harvest Heartland is inspected by the Minnesota Department of Agriculture and monitored every other year by America's Second Harvest.

Second Harvest Heartland is very efficient because it focuses its programs on its mission to end hunger. Expanded facilities, as well as food handling technology and programs, provide an unmatched variety of food, fresh produce and grocery products delivered to SHH's member agencies and programs in a timely manner.



SECOND HARVEST
HEARTLAND

Joining forces to end hunger

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