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Commissioner



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Kentucky Department of Agriculture
A Consumer Protection And Service Agency

Policy Memorandum KY-FD-PM-D-07-01

TO: Commercial Distributors

FROM: Teresa Ulery, Director
Division of Food Distribution

DATE: September 27, 2006

SUBJECT: FNS-57 Reports and Monthly Inventory Reports

This memorandum addresses two issues outlined in the current agreement between your company and the Kentucky Department of Agriculture, Division of Food Distribution pertaining to the receipt, storage and delivery of USDA commodities. The memorandum serves as a reminder of the requirements pertaining to these two issues.

1. Any shipment received by your company that does not contain the number of allocated cases requires that an Over-Short-Damage Report (FNS-57) be completed and forwarded to this office. This requirement is in Section 3.4, of the agreement and reads as follows.

3.4 INBOUND FREIGHT:

Inspect load for condition on arrival and verify accuracy of count. Document Bill of Lading for any Overage, Shortage, and Damaged Foods (OS&D) as may be required and complete FNS-57.

2. Monthly inventory as outlined in Section 3.6 of the agreement are to be submitted to this office by the 10th day of each month. This requirement must be adhered to by all distributors. Below is the requirement as it is stated in the agreement:

3.6 INVENTORY MANAGEMENT REPORTS AND CONTROLS:

Inventory Control: The Contractor shall submit monthly perpetual and physical inventory reports using Inventory Control Form KY-FD-55 (See Attachment 11-Section 4) to the Department. Reports shall be submitted by the 10th day of each month and shall show the amounts on hand by item at the beginning of the month, the amount received, the amount delivered, and the balance on



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hand (both perpetual and physical) at the end of the month. Failure to timely submit the required report shall be considered a breach of this Agreement and may result in termination of this Agreement, in full or in part, as provided in § 2.18 of this Agreement. The report shall be emailed to: Dan Flaherty with Kentucky Department of Agriculture, Division of Food Distribution, 107 Corporate Drive, Frankfort, KY 40601 at the following email address: Dan.Flaherty@ky.gov

Please take the necessary steps to insure that these two requirements will be adhered to as the situation warrants. Monthly inventory reports and FNS-57 reports are to be sent to the attention of Dan Flaherty. If you have any questions regarding this memorandum contact Bill Wilson at 502-573-0298 ext. 258 or at billa.wilson@ky.gov