



Kentucky Department of Agriculture *A Consumer Protection And Service Agency*

POLICY MEMORANDUM – KY-FD-S-PM-08-01

TO: Food Service Directors / Administrators

FROM: Teresa Ulery, Director
Division of Food Distribution

DATE: July 13, 2007

SUBJECT: Requirements for SFAs Acting as a Collective Unit in the Control and Use of Donated Foods

School food authorities (SFA's) are more commonly performing food service activities collectively, including activities with donated foods, in the interest of minimizing costs and increasing efficiency. SFA's sometimes perform such activities as a part of a school cooperative (co-op) or consortium, which are often legally defined entities subject to specific State laws or requirements. This memorandum clarifies the requirements and options in the control and use of donated foods for any SFAs acting as a collective unit in conducting donated food activities, including SFAs that are part of a school co-op or consortium.

Requirements and Options for the SFA Collective Unit:

In performing any activities with donated foods, the SFA collective unit is subject to the same requirements and may exercise the same options, as a single SFA. Such donated food activities may include, for example, selection or ordering, receipt and storage of donated food in preparing and serving meals, or the procurement of goods and services from commercial enterprises (e.g., in processing of donated foods). For example, the SFA collective unit:

- May select donated foods and submit orders directly into ECOS, as a cooperative.
- May choose to utilize single inventory management – i.e., commingle donated foods and commercially purchased foods in storage and maintain a single inventory record of such commingled foods.
- Is not required to conduct an annual physical inventory of donated foods, or to reconcile and offset donated food inventory losses.



POLICY MEMORANDUM – KY-FD-S-PM-08-01

July 13, 2007

Page 2

- Must use donated foods, as far as practical in school lunches or in other activities of the nonprofit school food service.
- Must provide a copy of the agreement between the school collective unit and SFAs ensuring compliance with the requirements of 7 CFR Part 250.
- Once donated foods are received by the school collective unit, it is responsible for their proper control and use.
- Any questions arising among SFAs with respect to the receipt, control or use of donated foods must be resolved by the SFA collective unit, in accordance with its agreement or contract.

The division will still be responsible for determining Planned Assistance Levels (PAL) for each SFA and placing commodity orders with USDA. We will still contract with commercial distributors to receive, store and delivery commodities. **This does not eliminate the receipt, storage and delivery fees from the Division of Food Distribution's contracted commercial distributor.**

I know that this is a lot of information to absorb, so if you have questions, please contact me at 502-573-0298 ext 261 or by email at teresa.ulery@ky.gov