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Commissioner




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Kentucky Department of Agriculture
A Consumer Protection And Service Agency

POLICY MEMORANDUM – KY-FD-PM-S-07-03

TO: Food Service Director/Administrator

FROM: Teresa Ulery, Director 
Division of Food Distribution

DATE: October 25, 2006

SUBJECT: Verification Process for “Net-Off Invoice” or “Modified Hybrid”

The “Net-Off Invoice” or “Modified Hybrid” value pass through option available in the State Processing Program requires that sales verification be performed at least twice per year. Kentucky has opted to assign performance of this verification to the processors. In addition, our office is required to re-verify 10% of the processor’s verification.

It is essential that these verifications be performed and that they are completed in the most efficient manner possible. In order to assure that this occurs the following requirements are implemented:

1. Recipient Agencies are required to respond to both the processor and this office in a reasonable period of time when verification is requested. Failure to do so can result in being denied the ability to participate in the “Net-Off Invoice” value pass through option.
2. Processors are required to inform this office, if they have difficulty obtaining requested sales verification information from any Kentucky recipient agency.

Net-Off Invoice is a processing option requested by Food Service Directors and it will require communication between you, the processor and this office. The success of this communication will determine if this will be an option in the future.

Should you have questions, please contact Rick Betsworth at rick.betsworth@ky.gov or at 502-573-0298 ext 262.



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