



Pacific Agricultural Certification Society

PO Box 20094, Vernon, BC V1T 9L4 phone 250-558-7927 fax 250-558-7947
admin@pacscertifiedorganic.ca Website: www.pacscertifiedorganic.ca

2022 PACS Annual Fees & Billing Details

ANNUAL RENEWAL FEES

Renewal notices are sent out by PACS admin 4-8 weeks before the due date. PACS encourages all members to renew using the PACS Online Membership Portal. A breakdown of renewal fees can be found within the online renewal application. For operators who request their renewal package be sent by email or mail can request this from the PACS office. Incurred fees for submitting renewals by mail, email or fax will be charged on the year's final Certification Invoice.

COABC Fees: This fee is collected by PACS on behalf of the Certified Organic Association of BC (COABC). All fees collected are forwarded directly to COABC. COABC has informed PACS that these fees cover the cost of receiving the BC Organic Grower magazine, membership in the Organic Materials Review Institute, COABC accreditation and the COABC office administration. COABC programs are operated through grants and the use of volunteers. For more information on the COABC fees collected by PACS please contact the COABC office at info@organicbc.org or call 250-260-4436.

PACS Fees: This fee includes PACS certification services such as office administration, the processing of annual certifications and maintaining accreditation, but **does not cover PACS Certification Committee fees, extra billing fees and/or inspection fees.**

Verification of Gross Organic Sales (GOS): PACS and COABC fees are based upon an applicant's Gross Organic Sales and/or services (in the case of handlers this is the gross organic receipts) of the previous **fiscal** year of the enterprise. Gross Organic Sales are the total sales of all products or services listed on the enterprise's organic certificate. GOS calculations include all sales and/or services before expenses, or cost of goods. The total amount of sales for products listed on the organic certificate are included in GOS sales calculations regardless of whether they were marketed with an organic claim or not. For example, grapes sold to a conventional winery would still be included in the GOS calculation.

The PACS office will ask for proof of Gross Organic Sales (GOS) each year. Verification may include self reporting either by email or through the PACS Online Member Portal, verification of financial documents through a dedicated secure email address goss@pacscertifiedorganic.ca, or verification on-site during your annual inspection.

Acceptable GOS verification documents include:

- Revenue Canada tax form – Gross Farming Income (if all organic sales)
- Account year end – Gross Organic Sales and/or Services
- Accounting Software – Income Statement showing total revenue
- Accounting Software – Sales Summary that lists all organic products and/or services.

ANNUAL COST RECOVERY (user-pay system)

In addition to annual membership fees, PACS issues a **Certification Invoice** at the end of each certification cycle that follows a user-pay system. This system charges operators based on the amount of service they require from PACS. Certification Invoices are issued as a part of the Certification Package and includes billable time to date from the previous Certification Invoice in addition to other applicable annual fees. The standard categories for annual cost recovery are outlined below.

PACS Certification Committee (CC) billable hours

The charge for CC billable hours recoups the cost of evaluating certification files by our independent committee (\$45/hr.). Certification Committee (CC) time is accrued for the following activities: Review of application forms; identifying incorrect or missing information; responding to operator enquiries; reviewing/processing additional information, such as new product profiles, label reviews, export certificates etc. Operators are required to provide a \$60 Certification Committee fee deposit as a part of the annual membership fees. Total CC billable hours for the current certification cycle will be billed annually on the Certification Invoice following the Certification Review.

For helpful hints on how to reduce the number of billable CC hours, please refer to the last page of this document.

Verification Officers (VO) billable hours

Western Canada (Alberta west) Inspection costs will be charged to all enterprises at the same rate of **\$70/hour** for time billed to PACS by the Verification Officer (VO).

Eastern Canada (Saskatchewan east) Inspection costs will be charged to all enterprises at the same rate of **\$105/hour** for time billed to PACS by the Verification Officer (VO).

VO Billable hours include time spent reviewing enterprise applications, performing inspections, and writing inspection reports. Also included is time spent by the VO tracking down missing documents or making follow-up visits or phone calls. Operators are required to provide a \$100 inspection fee deposit which will be credited toward your inspection fees on your final invoice. Total VO billable hours are billed annually on the Certification Invoice upon completion of the Certification Review.

For helpful hints on how to reduce the number of billable VO hours, please refer to the last page of this document.

Inspection Expenses for VO Expense Recovery

VO expenses recovery, including mileage, flights, travel time, meals, and accommodations, will be billed on a cost-recovery basis over and above the time-related inspection costs. Efforts are made to arrange inspections to require the least amount of travel and use the most efficient mode of transport.

VO Expenses Recovery: Is based on the previous year's total VO expense costs. PACS will average its VO travel expenses over all enterprises (except Low-Risk non-inspection years, stand-alone inspections and unannounced inspections). The VO Expense charge on certification invoices for 2022 will be **\$100/enterprise**. This provides fair access and equal costs for all PACS clients. PACS clients may be charged for a stand-alone inspection if renewals are submitted late, the client has not made themselves available for the VO during a scheduled inspection run or if a second inspection is required. VO Expense Recovery is for Western Canada inspections only. Eastern Canada inspections will be charged for actual expenses incurred. Annual VO Expenses will be billed on the Certification Invoice.

Administration Fees

Administration fees go toward the maintenance and support of ongoing updates of organic regulations and standards, included but not limited to website postings, inputs evaluations, newsletter distribution, mailing, etc. Fees are scaled per category as follows: C#1 – C#4 \$50; C#5 – C#9 \$75; C#10 – C#14 \$125; C#15 – C#17 \$175; C#18– C#21 \$225; C#22 & C#23 \$525 annually. Administration Fees are billed annually on the Certification Invoice.

ANNUAL COST RECOVERY (OTHER charges – user pay system)

The fees outlined below will only be billed on the Certification Invoice if your operations meets the criteria listed under the description of each additional fee.

Private Label Agreement Fee

PACS clients entering into a private label name and certification mark agreement (PLA) will be charged an annual registration fee of \$200 for up to five (5) recipe/labels per private brand. An additional \$40 fee will be charged for each additional receipt/label beyond the first five. Please note this does not include applicable Administration/Certification Committee billable hours incurred. If you wish to have a breakdown of CC billable hours per PLA you must notify the PACS office on, or before, January 31 annually.

ECO Fee

The PACS office is paperless. Clients requesting to send or receive information via mail will be charged an annual Eco Fee. The rate will be based on a cost recovery user-pay system. The standard Eco Fee starts at \$35.00 but may be increased depending on how many correspondences are requested annually.

Admin Application Fee

PACS encourages all operators to utilize the new Online Member Portal for initial and renewal applications. For applications that are submitted by mail, email or fax, there is an additional \$35.00 admin fee.

LATE Filing Fee

Operators will be given 4-8 weeks notice to submit annual renewal applications. Your renewal deadline can be found on your last organic certificate. Renewals received after the deadline date will incur a **\$200 late filing fee for each month late**. A Non-Renewal Notice of Non-Compliance will be issued for enterprises who fail to meet the renewal deadline. Non-Renewal enforcement actions may escalate to suspension and decertification.

LATE Filing Fee (Low Risk – only)

In addition to the above “late filing fee” statement: Late submissions of forms and fees (past the due date on your renewal quote) eliminates your ‘Low Risk Status’ and you will be scheduled for an annual inspection.

Inspection Cancellation Fee

If a Client cancels a scheduled inspection, without justifiable cause, the rescheduled inspection will be billed as a stand-alone inspection and a \$200 cancellation fee will be charged.

Helpful Hints to Reduce CC and VO Hours

Helpful Hints (saving on CC billable hours):

- Complete your plans fully and accurately.
- Respond to the CCs promptly when pre-review questions are asked. Note: the majority of PACS CC correspondence will be via email to ensure traceability to our Accreditation Board.
- When inquiring about inputs, provide accurate and complete information to streamline the input assessment process (*when possible, contact the manufacturer yourself and provide the CC with the information on all ingredients and input processing*). We encourage clients to submit input requests for approval via the PACS website.
- Try communicating all your questions in one communication, rather than numerous emails.
- Always identify your enterprise name and topic in the email subject line (i.e. ABC Farms – XYZ input approval).

Helpful Hints (saving on VO billable hours):

- Be ready and organized!! Organize your records and have them ready and available for the VO to review.
- Be able to provide all labels and receipts.
- Provide an input inventory sheet.
- If you sell bulk commodities, keep accurate harvest totals and sales records for each crop.
- If you are a market gardener or if you sell products directly to consumers, keep daily or weekly sales totals, along with accurate input and production records.
- Ensure your storage areas only have products currently in use.
- Drive around your property (as opposed to walking) when possible, to reduce time on-site (you will be billed for the whole time the VO is on your site inspecting).
- Keep the VO on task and avoid unnecessary 'non-inspection' conversations. You will be invoiced for all VO time spent on-site.
- Avoid post-inspection follow-up visits, calls and/or other communications by having all documents readily available during the time of the inspection.