



Pacific Agricultural Certification Society

3402 32nd Ave. Vernon, BC V1T 2N1 phone 250-558-7927 fax 250-558-7947
admin@pacscertifiedorganic.ca Website: www.pacscertifiedorganic.ca

2019 PACS Annual Fees AND Cost Recovery – Billing Details

Timing of Applications

Applications for field crops, in-ground greenhouse crops and maple products must be received 15 months before the day on which the product is expected to be marketed (Organic Products Regulations, 2009 (OPR) Section 12 (1)).

ANNUAL RENEWAL (fees – all members accounting to gross organic sales)

You will find the **2019** fees for certification by the PACS on your **RENEWAL FEES invoice** emailed to you from the PACS Admin 4-8 weeks before the due date.

COABC Fees: (see *COABC and PACS Annual Certification Fee on the PACS website*) This fee is collected by PACS on behalf of the Certified Organic Association of BC (COABC). All fees collected are forwarded directly to COABC. We've been told by COABC 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 office@certifedorganic.bc.ca or call 250-260-4436.

PACS Fee: (see *COABC and PACS Annual Certification Fee on the PACS website*) 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**. PACS 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. For new applicants, the fees will be based upon *anticipated* gross organic sales and will be adjusted to the evaluation of the *actual* gross organic sales after that value is verified during the annual inspection.

Verification of Gross Organic Sales (GOS) at Inspection: The Verification Officers (VOs) will ask for proof of gross organic sales during their inspection, but will not report any confidential financial information to the PACS. During your site inspection; you are required to provide one of the following to the VO for verification of GOS from your previous years farm income. **Please note:** this includes all sales and/or services before expenses, packing house fee or cost of goods.

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

ANNUAL COST RECOVERY (charges – users pay system)

You will be billed post certification review for the **2019 cost recovery charges** (as defined below) on your 2019 Inspection Invoice, which will be emailed to you from the PACS Admin with your current Organic Certificate.

PACS Certification Committee (CC) billable hours

CC billable hours charges recoup the cost of evaluating certification files by our independent committee (\$36/hr.). Certification Committee 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 which will be credited towards the total Certification Committee fees on your final invoice. *You will be billed for your 'annual' Certification Committee hours incurred on your annual inspection invoice upon completion of your Certification Review.*

Helpful Hints (saving on CC billable hours):

- Complete your plans completely 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;
- Respond to conditions listed on your Certification Review Report (CRR) without reminders or leading to Notices of NC;
- 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*);
- To avoid asking the same questions over and over, keep your responses in a safe place for future reference;
- Try communicating all of 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 – conditions 2019).

Inspection/Verification Officers billable hours

Western Canada (Alberta west) Inspection costs will be charged to all enterprises at the same rate of **\$60/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 **\$95/hour** for time billed to PACS by the Verification Officer (VO).

VO Billable hours include time spent reviewing enterprise applications (or renewals), doing inspections and writing Verification 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. *You will be billed for your 'annual' Verification Officer's (VO's) billable hours incurred on your annual inspection invoice upon completion of your Certification Review.*

Helpful Hints (saving on VO billable hours):

- Be ready and organized!! Organise your records and have them all ready and available for the VO to review;
- Ensure your plans have been completed accurately;
- Be able to provide all labels and receipts;
- Provide an input inventory sheet;
- If you sell bulk commodities keep accurate harvest totals & sales records per 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 used;
- Have your financial records available to confirm GOS;
- Drive around your property(s) (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 'on-inspection' conversations.;
- Avoid follow-up visits, calls and/or missing documents that have to be submitted post-inspection.

Inspection Expenses for VO Expense Recovery

VO expenses recovery, including mileage, flights, travel time, meals, accommodations, will be billed on a cost-recovery basis over and above the time-related inspection costs. Efforts are made to arrange inspections requiring the least amount of travel and using the most efficient mode of transport. Organic farming organizations have traditionally arranged billeting for VOs at the enterprises they inspect in order to reduce travel expenses. This will be continued whenever possible. *You will be billed for your 'annual' VO Expenses on your annual inspection invoice upon completion of your Certification Review.*

VO Expenses Recovery: based on 2017 VO expense costs, PACS will average its VO travel fees over all enterprises (except Low-Risk non-inspection years, stand-alone inspections and unannounced inspections). Therefore, the VO Expense charge on inspection invoices for 2019 will be **\$110/enterprise** (a 23% reduction from 2017). This provides an improved fair access for PACS Clients and encourages on-time renewals. *You will be billed for inspection fees on your annual 'Inspection Invoice' after your Certification Review has been completed.*

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 \$25; C#5 – C#9 \$50; C#10 – C#14 \$100; C#15 – C#19 \$150; C#20 & C#21 \$200; C#22 & C#23 \$500 Annually. *You will be billed for your 'annual' Administration Fee on your annual inspection invoice upon completion of your Certification Review.*

Helpful Hints (how to save 50% off of your Administration Fee): In 2019 PACS has implemented an administration fee discount opportunity for clients who are 'on-the-ball'. Clients who pay their annual membership fee and submit all required documents (all in order without the Certification Reviewers requesting more information) on/or before their 'renewal deadline', will receive a 'renewal discount' of 50% off of their Administration Fee on their 2019 Final Invoice. For example: if you are a Category 20 client you would normally pay an administration fee for of \$200. However, if you have everything in on time and in order you would only pay \$100 for your administration fee in 2019.

ANNUAL COST RECOVERY (OTHER charges – users pay system)

You will be billed post certification review for the **2019 cost recovery 'other' charges** (as defined below) on your 2019 Inspection Invoice, which will be emailed to you from the PACS Admin with your current Organic Certificate.

Export Levy

The Export Levy is charged to enterprises which intend to export products into jurisdictions regulated by non-Canadian organic standards (i.e. USA and overseas). The levy recovers part of the cost of maintaining International Organization for Standardization (ISO) compliant accreditation and recognition agreements with international jurisdictions and equivalencies. Fees are scaled per category as follows: C#1 – C#4 \$25; C#5 – C#9 \$50; C#10 – C#14 \$100; C#15 – C#19 \$150; C#20 & C#21 \$200; C#22 & C#23 \$500 Annually. *If applicable, you will be billed for your 'annual' Export Levy on your annual inspection invoice upon completion of your Certification Review.*

Change (export levy exempt): This exemption is for PACS clients selling products that will eventually be exported internationally, but are selling to another PACS client in your own Province. These clients will not be charged an export levy because the other PACS client will be contributing to this cost recovery exporting fee. For example: ABC farm is selling their 'apples, grapes, hops, etc.' to the PACS Certified 'Packing house, Winery, Distributor, etc.' the ABC farm will be exempt from the Export Levy.

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. *If applicable, you will be billed for your 'annual' PLAs on your annual inspection invoice upon completion of your Certification Review.*

ECO Fee

The PACS office is now paperless. Clients still requesting to send or receive information via mail will be charged an annual Eco Fee. The rate will be based on a cost recovery as a user pay. Therefore, the fee will be determined

according to how many correspondences are requested annually. *If applicable, you will be billed for the ECO fee on your annual inspection invoice upon completion of your Certification Review.*

REFERRAL Discount

A \$100 discount will be given to PACS clients on their annual inspection invoice with a successful referral of an enterprise to PACS. Confirmation will be given to the PACS Client upon the full completion of the initial registration of the 'New Client' to PACS. For more information contact the PACS office.

LATE Filing Fee

A four (4) to eight (8) week reminder will be given before your annual renewal forms and fees are due. Your renewal due date will be listed on the renewal invoice, as well as, the second page of your current Organic Certificate. Renewals received after the deadline date for filing (indicated at the time the forms were forwarded to the member and on the previous year's organic certificate) will be assessed a **\$200 late filing fee for each month late. You will be billed for your late fee before PACS proceeds with your enterprise's annual inspection cycle.** Notices of Non-Renewals will be issued 10 business days following the enterprise's renewal due date.

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.

NOTE: *For more information on Certification Fees please refer to the PACS Handbook section 2.5.*