

# Organic Certification Cost Share Program (OCCSP)

## Frequently Asked Questions

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- Q1. What certification costs are allowable?**  
Allowable certification costs are found in the [Organic Certification Cost Share Programs FY 2014 Policies and Procedures](#). See page 8 of Exhibit 1 – Allowable and Unallowable Certification Costs.
- Q2. What is the eligible period for the FY 2014 OCCSP?**  
October 1, 2013 through September 30, 2014.
- Q3. Can a certified operation receive reimbursement for allowable certification costs paid prior to or after the eligible period?**  
No, operators may only be reimbursed for allowable certification costs paid during the eligible period.
- Q4. I am getting inspected for a private-label certification other than USDA organic. Is this cost eligible for reimbursement under the OCCSP?**  
No. Only [allowable certification costs](#) related to [USDA organic certification](#) are eligible for reimbursement.
- Q5. I am certified transitional; can I participate in the OCCSP?**  
No. Your operation must have received USDA organic certification from an [accredited certifying agent](#) in order to participate in the OCCSP.
- Q6. I am applying for USDA organic certification for the first time. Can I receive reimbursement for certification-related expenses before I receive my certificate?**  
No. Proof of USDA organic certification is required to claim reimbursement. A copy of the Certificate of Organic Operation is required for first-time applicants.
- Q7. What is the reimbursement amount available to a certified operation?**  
A certified operation may be reimbursed for up to 75 percent of their allowable certification costs, not to exceed \$750 per certification.
- Q8. What is the maximum reimbursement amount available to a certified operation?**  
The maximum reimbursement is \$750 per certification scope. An operation may be certified under more than one certification scope. Since there are 4 possible certification scopes, the maximum reimbursement amount is \$3000. This would occur if the operator is certified for all 4 scopes (crops, livestock, wild crops, and handling) and the overall allowable certification costs are equal to or greater than \$4000 (the 75% rule).

***Three scenarios have been developed to illustrate how reimbursements may be issued. These scenarios were developed to provide examples of how organic certification cost share reimbursements may be issued. The possible scenarios are too numerous to document and this listing is not intended to serve as an exhaustive list. If you have questions pertaining to a specific situation, please contact the NOP Cost Share Program staff for assistance.***

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### SCENARIO #1 – NEW APPLICANT

A newly certified organic operation is certified for crop and livestock production and has multiple payments. This organic operation is eligible for a maximum reimbursement amount of \$1500.

Certification Costs	Invoice Paid Dates:		
	10/10/2013	7/15/2014	9/20/2014
Transitional Fee	\$1500	-----	-----
Application Fee	-----	\$200	-----
Certification Fee	-----	\$150	\$150
Inspection Fee	-----	\$500	\$500
Sales Assessment	-----	\$1500	\$1500
<b>Total Costs</b>	\$1500	\$2350	\$2150
<b>Allowable Costs</b>	<b>\$0<sup>1</sup></b>	<b>\$2350</b>	<b>\$2150</b>

<sup>1</sup>Transitional Fees are not allowable certification fees.

Determining the Maximum Allowable Reimbursement

Step	Formula
A. Determine Maximum Reimbursement per Scope (\$750)	<i>No. of Scopes x \$750 = Max. Reimbursement Based on No. of Scopes</i> <b>2 X \$750 = \$1500</b>
B. Determine Maximum Reimbursement (75% Rule)	<i>Allowable Costs X 75% = Max. Reimbursement Based on 75% Rule</i> <b>\$2350 + \$2150 = \$4500; \$4500 X 75% = \$3375</b>
C. Determine Maximum Allowable Reimbursement	Select the lessor amount of A and B. <b>\$1500</b>

### SCENARIO #2 – RENEWAL CERTIFICATION

The organic operation is certified for crop production and paid all certification fees on October 10, 2013. This organic operation is eligible for a maximum reimbursement amount of \$750.

Certification Costs	Invoice Paid Date
	10/10/2013
Application Fee	\$200
Certification Fee	\$300
Inspection Fee	\$1000
Sales Assessment	\$3000
<b>Total Allowable Costs</b>	<b>\$4500</b>

Determining the Maximum Allowable Reimbursement

Step	Formula
A. Determine Maximum Reimbursement per Scope (\$750)	<i>No. of Scopes x \$750 = Max. Reimbursement Based on No. of Scopes</i> <b>1 X \$750 = \$750</b>
B. Determine Maximum Reimbursement (75% Rule)	<i>Allowable Costs X 75% = Max. Reimbursement Based on 75% Rule</i> <b>\$4500 X 75% = \$3375</b>
C. Determine Maximum Allowable Reimbursement	Select the lessor amount of A and B. <b>\$750</b>

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### SCENARIO #3 – RENEWAL CERTIFICATION, WITH UNALLOWABLE EXPENSES

The organic operator is certified for crops, livestock, and handling and Good Agricultural Practices (GAP).

Certification Costs	Invoice Paid Dates:	
	9/5/2013	4/15/2014
Application Fee	\$200 <sup>1</sup>	-----
Certification Fee	-----	\$450
Late fees		\$75
Inspection Fee	-----	\$1500
Sales Assessment	-----	\$5000
GAP certification <sup>2</sup>		\$475 <sup>2</sup>
<b>Total Costs</b>	\$200	\$7500
<b>Allowable Costs</b>	<b>\$0<sup>1</sup></b>	<b>\$6950</b>

<sup>1</sup>The application fee was paid before the eligible period and as a result is ineligible for reimbursement.

<sup>2</sup>The GAP certification costs are ineligible for reimbursement.

Determining the Maximum Allowable Reimbursement

Step	Formula
A. Determine Maximum Reimbursement per Scope (\$750)	<i>No. of Scopes x \$750 = Max. Reimbursement Based on No. of Scopes</i> <b>3 X \$750 = \$2250</b>
B. Determine Maximum Reimbursement (75% Rule)	<i>Allowable Costs X 75% = Max. Reimbursement Based on 75% Rule</i> <b>\$6950 X 75% = \$5212.50</b>
C. Determine Maximum Allowable Reimbursement	Select the lessor amount of A and B. <b>\$2250</b>

#### Q9. How can State Agencies verify organic certification?

The primary method of verification occurs through the review of the certified operation's organic certificate(s). If the State Agency has any questions regarding the organic certificate, they should first contact the issuing accredited certifying agent. If the questions cannot be resolved by contacting the accredited certifying agent, then the State Agency should contact the Cost Share Program Manager. Alternatively, a State Agency can request and accept lists of certified operations from accredited certifying agents.

#### Q10. Is my state eligible to participate in USDA's organic certification cost-share program?

Yes, all 50 states, the District of Columbia, American Samoa, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands are eligible to participate in the NOCCSP. Sixteen (16) states are eligible to participate in the AMA, including Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

*Note: Although all states may participate, not all do. State participation information is available on the [State Agency](http://bit.ly/OrganicCostShareInfo) link on the [NOP Cost Share website](http://www.nop.usda.gov) at <http://bit.ly/OrganicCostShareInfo>.*

#### Q11. I don't produce traditional agricultural products. Can I still receive reimbursement for my USDA organic certification-related expenses?

Yes, provided you have a current USDA organic certificate from an [accredited certifying agent](#), you may submit your application for reimbursement to your State Agency.

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**Q12. I have certified operations in more than one state; where should I apply for reimbursement?**

You should submit applications for reimbursement to the state(s) in which your certified operation(s) is located. For example, if you have an operation in Nebraska and an operation in South Dakota and each operation holds a separate certification, submit an application for the Nebraska operation to the Nebraska Department of Agriculture and submit an application for the South Dakota operation to the South Dakota Department of Agriculture. If the operations are included under a single certification, then the application should be submitted to the State Agency where the business is headquartered, as identified on the certification.

**Q13. My certifier is taking an unreasonably long time to make a decision on my application for USDA organic certification. What can I do?**

Please refer your complaint to the USDA National Organic Program's Compliance and Enforcement division. [How to File a Complaint](#).

**Q14. What is the deadline to apply for reimbursement?**

State Agencies determine their application deadlines; contact your [State Agency](#) for specific information.

For the FY 13 AMA, State Agencies cannot set their application deadlines earlier than September 30, 2013. At their discretion, State Agencies may continue to accept applications through December 2014.

For the FY 14 AMA and NOCCSP, State Agencies cannot set their application deadlines earlier than October 1, 2014. State Agencies may accept applications through December 2014.

**Q15. Will funds for the OCCSP be available next year?**

Yes. Funding for the Organic Certification Cost Share Programs is authorized through FY 2018; however, the FY 2015 funding levels are estimated to be \$1M for the AMA OCCSP and the \$10.6M for the National OCCSP. After 2018, Congress must enact new legislation and appropriations for these cost share programs.

### Frequently Asked Questions Specifically For State Agencies

**Q16. How can State Agencies contact certified operations within their state?**

State Agencies may conduct outreach to the certified operations by exporting the List of Certified USDA Organic Operations from <http://apps.ams.usda.gov/nop/> into MS Excel. The list can then be sorted by state to identify certified operations within your particular state.

**Q17. Is the 10% Administrative Fees allowance for indirect costs based on the total allocation or the reimbursement amount?**

The initial administrative fee allowance is based on the total allocation (\$100,000 allocation; equals a \$10,000 administrative fee allowance). However, there are two rules that must be met (1) only 10% of the total allocation can be used towards indirect costs; and (2) all unused money must be returned to the USDA at the end of the grant period. Therefore, if a State Agency does not use its total allocation, it must return the balance of unused funds and ensure that no more than 10% of the funds were used for indirect costs.

**Q18. Our State Agency subcontracts with an external entity (contracted entity) to issue reimbursements to organic operations within our state; what should the agreement with the contracted entity include?**

The agreement between the State Agency and the contracted entity should identify the roles and responsibilities of each party and should identify any of the assurances and certifications included in the Organic Certification Cost Share Program Policies and Procedures that apply to the contracted entity. The contacted entity does not have to sign an SF-424; this is only required for the grant recipient (the State Agency).