

## ATTACHMENT B – 2020 ADDITIONAL INSTRUCTIONS FOR FORM DA-15-CG

**PURPOSE:** The Dairy Promotion and Research Order (Dairy Order) provides that dairy producers can receive a credit up to 10 cents, against the 15-cent per hundredweight national assessment, and dairy importers can receive up to 2.5 cents against the 7.5 cent per hundredweight or equivalent thereof, for contributions to Qualified State, Regional or Importer Organizations to conduct dairy product promotion, research, or nutrition education programs (Qualified Programs). Qualified Programs must apply for continued qualification on an annual basis in order to utilize these funds and for dairy producers and dairy importers to continue to receive the credit. The objective of the application process for Qualified Program Certification is program integrity and compliance with the Dairy Act, Dairy Order and other applicable regulations.

**Allowable Expenditures for Promotion and Research Assessment Funds:** The Dairy Order defines three categories of acceptable expenditures – promotion, research and nutrition education. Section §1150.114 defines Promotion as “actions such as paid advertising, sales promotion, and publicity to advance the image and sales of, and demand for, dairy products generally.” Section §1150.115 defines Research as “studies testing the effectiveness of market development and promotion efforts, studies relating to the nutritional value of milk and dairy products, and other related efforts to expand demand for dairy products.” Section §1150.116 defines Nutrition Education as “those activities intended to broaden the understanding of sound nutritional principles, including the role of milk and dairy products in a balanced diet.” The Dairy Order’s Section §1150.153(b)(6) provides Qualified Programs “Not use program funds for the purpose of influencing governmental policy or action.”

The Dairy Order’s Section §1150.153(b)(4) states Qualified Programs “Not use a private brand or trade name in its advertising and promotion of dairy products unless the Board recommends and the Secretary concurs that such preclusion should not apply.” All Qualified Programs requests to use and/or expend assessment funds for branded advertising must be submitted to:

National Dairy Promotion and Research Board  
C/O Dairy Management, Inc.  
10255 W. Higgins Rd. Suite 900  
Rosemont, Illinois 60018-5616

Upon the National Dairy Promotion and Research Board’s approval to use branded advertising, quarterly (calendar year) branded advertising reports will be submitted to USDA via email to [john.galbraith@usda.gov](mailto:john.galbraith@usda.gov) or by postal delivery to the address listed for submission of the annual certification packages.

**DA-15-CG INSTRUCTIONS:**



Please complete and return Form DA-15-CG (Attachment A) and supporting documents by **April 30, 2020**. A fillable Form DA-15-CG is available for download at <http://www.ams.usda.gov/resources/da15-cg>.

Qualified Programs may deliver certification packages and supporting documents via email to [john.galbraith@usda.gov](mailto:john.galbraith@usda.gov) or by postal delivery.

Agricultural Marketing Service – Dairy Program  
Promotion, Research & Planning Division  
1400 Independence Avenue, SW  
Room 2958, Stop 0233  
Washington, D.C. 20250-0233

**ITEMS 1-7:** Items 1-7 must be completed as noted on the form. For Item 7, if a Qualified Program (QP) does not operate under a State law, please respond with Not Applicable or N/A.

**ITEMS 8-10:** If line items equal zero, use a - 0 - in the appropriate space. Insert numbers for all line items.

**ITEM 8 – SOURCES OF TOTAL ANNUAL INCOME INCLUDES:**

- **Carryover from Previous Year:** The amount reported for the line item "CARRYOVER FROM PREVIOUS YEAR" should agree with the amount reported as last year's "TOTAL FUNDS AVAILABLE FOR FUTURE YEAR PROGRAMS." This line item consists of unused, available and/or uncommitted funds as a combined total. If this amount does not match provide a written explanation.
- **Current Year Income:** List separate sources and amounts of income in an attached Schedule of Income. A list of individual producers/importers is not requested. Funds received directly from cooperative associations, other organizations, or producers/importers should be listed separately.
- **Add: Payments Received from other QPs.** All funds received from other QPs should be listed separately in an attached schedule. This schedule should identify the QP and the total funds received.
- **Add: Payments Received from Unified Marketing Plan Equalization Fund (UMPEF).** All funds received from the UMPEF should be listed separately in unified marketing plan receipts and expenditures reports.
- **Less: Payments Transferred to other QPs.** All funding transferred to other QPs should be listed separately in an attached schedule. This schedule should identify the QP and the total funds transferred.

- **Add: Payments Transferred to UMPEF.** All funding transferred to the UMPEF should be listed separately in Unified Marketing Plan (UMP) receipts and expenditures reports.
- **Other Income Sources:** Examples include total interest earned, sales of supplies and materials, refunds from overpaid expenditures, contributions from various organizations, gains on sale of property and equipment, and miscellaneous items. These items should be listed separately in an attached Schedule of Other Income.
- **Total Adjusted Annual Income:** This line item equals the total of all Sources of Total Annual Income minus Payments Transferred to Other QPs/UMPEF.

### **ITEM 8 – EXPENDITURES:**

For QPs participating in the UMP, all UMP expenditures should be provided in the line entitled *Unified Marketing Plan*. Local expenditures outside the UMP must be provided and listed accordingly. Expenditures should also include any purchases of materials from other QPs. A separate Schedule of Expenditures by each project and corresponding project description(s) and their related costs should be included. This item includes expenditures in the categories of:

- **Advertising, Promotion, and Sales (APS):** List expenditures with appropriate schedules for each subcategory (Fluid Milk, Cheese, Butter, Frozen Dairy Products, Other APS Expenditures) on which your organization expended income. Schedules should provide, if possible, a breakout of the type of media used. Include a description of each activity and examples of locally produced items. Please identify if you utilize advertisements or other materials created by Dairy Management Inc. (DMI), or other promotion organizations.
- **Other APS Expenditures:** List other advertising and promotional expenses not categorized by individual product categories and includes such things as calcium, nonfat dry milk, "Real Seal," holiday, and multi-product advertising and promotion programs.
- **Nutrition Education, Nutrition Research, Dairy Product Research, Market and Economic Research, Public and Industry Communications, and Administrative:** List expenditures for each category, along with their appropriate Schedule of Expenditures. Include individual project titles and descriptions for research expenditures.
- **UMP:** QPs participating in the UMP may attach DMI UMP expenditure reports and supplemental information.
- **Other Expenditures:** All other expenditure items not included in the specific expenditure category line items should be placed in this category on the form and identified. This category consists of capital expenses, purchase of miscellaneous materials, etc.
- **Total Annual Expenditures:** This line item is the sum of all expenditure categories and subcategories.



- United Dairy Industry Association (UDIA) dues: List only UDIA membership dues. All other monies paid to UDIA over the membership dues should be included in the appropriate line item expenditures described above.
- Total Annual Expenditures and UDIA dues: This line item is the sum of "TOTAL ANNUAL EXPENDITURES" and "UDIA DUES."
- Total Funds Available for Future Year Programs: This line item is obtained by subtracting "TOTAL ANNUAL EXPENDITURES AND UDIA PAYMENTS" from "TOTAL ADJUSTED ANNUAL INCOME." This calculation should be done on a calendar year basis.

**ITEMS 9, 10 and 11 - Required Copies of Annual Audit, Financial Statements and Auditor's Letter of Comments.**

These items are required annually. The audit and annual report may correspond to your organization's fiscal year (identify FY) and does not need to be for calendar year. If your program does not have an annual report, indicate this in the submitted materials.

The audit must be prepared according to either the Generally Accepted Audit Standards issued by the American Institute of Certified Public Accountants OR the Government Auditing Standards ("Yellow Book") issued by the Comptroller General of the United States.

The auditing firm must address the following five items in a letter to AMS or in their audit report:

- A. Is the organization engaged in dairy product promotion, research, or nutrition education?
- B. Are the organization's activities financed primarily (more than 50 percent) by dairy producers, either individually or through cooperative associations; or except for importer programs, be financed primarily by importers?
- C. Does the organization use a brand name or trade name in its advertising and promotion of dairy products?
- D. Does the organization use funds for the purpose of influencing governmental policy or actions?
- E. Does the organization have in place internal controls that provide reasonable assurance funds, property, and other assets are safeguarded against fraud, waste, and unauthorized use?

QPs considered State Governmental Agencies should have their Audit or State Agriculture Department address the five items in a letter to AMS or in their audit report.



Promotion, Research and Education Material Examples: All advertising, promotion, research and education materials must be developed in accordance with the Dairy Act, Dairy Order and USDA policies and guidelines including USDA's MyPlate, the U.S. Dietary Guidelines for Americans, the Nutritional Labeling and Education Act, and Federal Trade Commission's policies and regulations.

If you have any questions regarding the 2020 application package, please contact John Galbraith, Dairy Program, via email: [john.galbraith@usda.gov](mailto:john.galbraith@usda.gov); phone: (202) 720-6909; or fax: (202) 720-0285; or mail:

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