

MEMORANDUM OF UNDERSTANDING

between

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service

and

VIRGINIA BEEF COUNCIL

This Memorandum of Understanding is effective as of the ____ day of October, 2018 between the United States Department of Agriculture's ("USDA") Agricultural Marketing Service ("AMS"), with its principal office located at 1400 Independence Ave., SW, Washington, DC 20250, and the Virginia Beef Council, a Qualified State Beef Council, with its principal office located at 4466 Roanoke Rd, Daleville, Virginia 24083 ("VBC").

WHEREAS, AMS has an obligation to ensure that national agricultural commodity producer-funded Research and Promotion ("checkoff ") funds are expended appropriately in accordance with Federal legislation, regulations, and any applicable policies; and

WHEREAS, the Cattlemen's Beef Promotion and Research Board ("Beef Board") has been designated as the national checkoff organization for the U.S. beef industry, and AMS is therefore directly responsible for overseeing the operations of the Beef Board; and

WHEREAS, the Beef Board is authorized to certify a state entity as a Qualified State Beef Council ("QSBC") and has so certified VBC as the QSBC for the State of Virginia, such that VBC receives a portion of national checkoff assessment payments collected within that State; and

WHEREAS, AMS has an interest in ensuring that VBC is appropriately expending its checkoff dollars in accordance with Federal legislation, regulations, and any applicable policies.

NOW THEREFORE, the parties agree as follows:

1. **MATERIALS.** VBC agrees to provide to AMS, in a timely manner, the materials described below. VBC agrees that AMS may also request additional materials not described below. AMS agrees that VBC is not required to submit any materials previously submitted to AMS by the Beef Board and previously approved by AMS.
 - a. **BUDGET APPROVAL.** VBC agrees to prepare and submit to the Secretary of Agriculture ("the Secretary") for approval on a fiscal-period basis, an annual budget outlining and explaining VBC's anticipated expenses and disbursements in the administration of its responsibilities, including probable costs of promotion, research, consumer information and industry information plans or projects. The budget shall also include a general description of the proposed promotion, research, consumer information and industry information programs contemplated therein. Upon submission to AMS, AMS shall review and approve or reject VBC's budget within thirty (30) days of submission.

b. PREAPPROVAL OF PROJECTS AND MATERIALS.

- (1) VBC agrees to submit to AMS for pre-approval any and all promotion, advertising, research, and consumer information plans and projects, which AMS shall review and approve or reject within thirty (30) days of submission;
- (2) VBC agrees to submit for pre-approval by the Secretary any and all potential contracts or agreements to be entered into by VBC for the implementation and conduct of plans or projects funded by checkoff funds, which AMS shall review and approve or reject within thirty (30) days of submission. VBC agrees that any such contract or agreement shall provide that:
 - i. Any plan or project shall become effective only upon AMS' approval; and
 - ii. The party or parties contracting with VBC shall keep accurate records of all transactions under the contract, make periodic reports of activities conducted, and provide an accounting for funds received and expended, and such other reports as AMS may require. The Secretary or agents of the Beef Promotion Operating Committee or the Beef Board may audit periodically the records of the contracting party.

c. MAINTENANCE OF BOOKS AND RECORDS. VBC agrees to make its books and records available to AMS for inspection and audit, prepare and submit such reports from time to time as the Secretary may prescribe, and make appropriate accounting with respect to the receipt and disbursement of all assessment funds entrusted to it.

d. ANNUAL AUDIT. VBC agrees to cause its books to be audited by a certified public accountant at least once each fiscal period and at such other times as the Secretary may request, and submit a copy of each such audit to AMS;

e. NOTICES.

- (1) VBC agrees to prepare and make public, at least annually, a report of activities carried out and an accounting for funds received and expended;
- (2) VBC agrees to provide the Secretary the same advance notice of VBC board meetings as is given to board members of the VBC in order that an AMS representative may attend such meeting; and
- (3) VBC agrees to provide AMS with a copy of the minutes from all VBC board meetings; and
- (4) VBC agrees to submit to AMS such additional information as may be requested.

2. TIMING. VBC agrees that it will provide the materials described above in a timely manner to afford the Secretary a reasonable opportunity to review and approve them.
3. CERTIFICATION. If at any time VBC fails to comply with the terms of this MOU, VBC acknowledges and agrees that AMS may direct the Beef Board to de-certify VBC as a QSBC, and, in the event of such de-certification, VBC shall stop receiving national checkoff assessment funds.
4. EXPIRATION. This MOU shall cease to bind the parties only upon mutual agreement between them, expressed in writing at least thirty (30) days in advance of the termination of the MOU.
5. AGREEMENT. This MOU constitutes the entire agreement between the parties with respect to the matters governed thereby and may not be modified except by a writing signed by both parties hereto.

The Parties shall indicate their acceptance of this MOU by signing in the spaces provided below:

ACCEPTED AND AGREED TO:

By:

Printed Name:

Bruce Summers

Title:

Administrator, Agricultural Marketing Service

By:

 _____

Printed Name:

Mark Gwin

Title:

Chairman, Virginia Beef Council