# 9. Witness – Heather Donoho

Greeting

* My name is Heather Donoho (HEATHER DONOHO)
* I am the Accounting Director for the California Walnut Board
* I will be testifying today to point 8 of the justification, proposal implementation.

The proposal would be implemented through the authority’s parameters and the requirements proposed under the new §984.546. Following approval from the Secretary, the CWB would implement the program to become effective the following crop/fiscal year. Annually, the CWB will establish a budget with annual assessment to be collected including a budget for the credit back program. The CWB would then communicate to handlers that the credit-back option is available, their pro rata portion of available credit-back funds, and issue procedures on the program and its use, including activities that are eligible for credit-back. Handlers will be provided with program details including their available portion of credit-back, via their annual pre-season handler packets. The handlers who choose to utilize the credit-back system will receive routine communications from the CWB, including reminders of filing deadlines. The program includes an appeals process to ensure that handlers have a process to challenge a decision that they disagree with.

Paragraph (e) 5 (i)-(iii) –

Procedures were developed through robust discussion with MORC and staff with agreement on the scope of included/excluded activities. The procedures provide participants with direction on the included and excluded activities. Eligible activities include: paid media/advertising, public relations/publicity, sales promotion, research and trade shows/trade seminars. The mix of activities was selected that best support the program objective of promoting the sale and consumption of walnuts. The CWB activities are generic and the activities under the program would be branded. Further, for those handlers who have multiple product lines of various products the program encourages activity to grow, foster and develop these new business segments to move additional volume.

Compliance oversight of the program was taken in to account in developing the procedures. Handlers will be provided with program details including their available portion of credit-back, via their annual pre-season handler packets. The handlers who choose to utilize the credit-back system will receive routine communications from the CWB, including reminders of filing deadlines. The program includes an appeals process to ensure that handlers have a process to challenge a decision that they disagree with.

As a new program we understand that we could not conceive every nuance that may emerge with the program such as a standard practice change, however; that there is a mechanism, through informal rulemaking, as approved by the Secretary that would allow for future program modifications.

In regard to Subparagraph (e) 5(iii) – the Board understands that handlers may conduct activities with other partners such as USDA and CDFA however; handlers would not be eligible under the program if they do so. CWB needs to ensure that handlers are not reimbursed for the same activities by others, ensuring that they do not “double-dip”, as there are mandatory spending requirements on this program, 70cents/per dollar of spend.

Paragraph (e) 6 (i)-(iv) -

The reimbursement submission process is outlined clearly in the procedures. CWB accounting staff, along with the input of executive director and marketing staff, as needed will administer the program. Per the procedure, the credit-back form is submitted to the CWB along with required documentation. Internally we would go through our internal procedures to processes the submission as we would do for a payable: Date stamp, review, route for approval, generate a check and mail check. The submission process is outlined however; internal procedures are not.

The procedures may need to change over time therefore; depending upon the scope of a change, it could be a house keeping change, committee level change or something that would have to go through the informal rule-making change.

Paragraph (f) –

The program was designed with an appeals process in place as a mechanism to manage any unforeseen issues that may arise, especially with this being a new program. If a claim is denied the handler may ask for a review by the CWB Executive Committee. If the handler is not satisfied with the committee review, they may request to have the full Board review. Finally, handlers may request an appeal review with the U.S. Secretary of Agriculture (b/c Secretary has ultimate oversight). Handlers must submit a written request that includes permission to share the specific information relating to the claim in question with the Committee. Appeals may be personally presented or by CWB staff. If staff presents, the identity of the party involved will be confidential unless otherwise waived in writing.

Exhibit – This written testimony