

MGR-16-008

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Date

November 25, 2016

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Brandon C. Willis, Administrator /s/ Brandon C. Willis

Subject

Federal Crop Insurance Corporation (FCIC) Board of Directors Approved Procedures for Reimbursements and the Determination of Reasonableness Expenses for Concept Proposals, 508(h) Submissions, and User Fees and Request for Comments

Background

The Federal Crop Insurance Corporation Board of Directors (Board) have approved procedures they will use to determine the 'reasonableness' of requests for: (1) advance payments; (2) reimbursement of research and development costs; (3) reimbursement of maintenance costs; and (4) approval of user fees submitted to the Board.

The Board may approve only the amount of reimbursement or advance payment that it determines to be "reasonable." The Board has identified the need to clarify and enhance the requirements for reporting costs for the purposes of determining reasonableness of expenses in accordance with 7 C.F.R. § 400.712. These reporting requirements for reimbursement requests will assist the Board in determining reasonableness of reimbursements and user fees.

Action

The Approved Procedures for Reimbursements and the Determination of Reasonableness Expenses for Concept Proposals, 508(h) Submissions, and User Fees, can be found on the RMA website at www.rma.usda.gov/about-rma/fcic/private-sector-developed-plans.

These procedures were approved by the Board on November 17, 2016, and are effective immediately for any future reimbursement request. Submitters must comply with these procedures when submitting any request for advance payments, reimbursement of research and development expenses, reimbursement of maintenance costs, or approval of user fees for use of the policy.

While these procedures are effective immediately, a 60 day comment period is open for these procedures. Comments received will be considered by the Board. The 60 day comment period is in effect until January 25, 2017.

Comments on these procedures should be directed to Robin Anderson at robin.anderson2@rma.usda.gov with a copy to Leiann Nelson at leiann.nelson@rma.usda.gov.

DISPOSAL DATE:

December 31, 2018