



Section C: Accounting, Credit Check & Attestation

C1. Accounting:

The Applicant confirms that it has proper accounting system in place to accurately track and record the purchase, storage, and utilization of Special Class priced dairy ingredients in CDC approved product recipes. When in doubt, the Applicant will refer to the recommended accounting practices mentioned below.

Recommended Accounting Practices

Sales: integrated computerized system to include:

- Sequentially numbered and dated invoices
- Monthly product and /or sales summary (sales in units)
- Accounts receivable record and aged trial balance
- Cash book (reporting payment by customers)

Inventory/usage reports

- Separate accounts for all dairy ingredients (further broken down between non-permit and permit purchases)
- Physical count sheets (count back-ups)
- Perpetual inventory accounts (dairy ingredients) (records purchases & usage)
- Bill of material system

Production/waste

- Daily and monthly production by finished goods
- Waste reports (for excess waste)

C2. Credit Check

For the purposes of assessing the financial stability of the Further Processor applying to the Special Milk Class Permit Program, the Further Processor authorizes the CDC to obtain at its discretion any information that it may require from other sources (including, for example, any financial institution, credit reporting agency, or credit bureau) and each such source is hereby authorized to provide the CDC with such information. The Further Processor also understands that the information given in this application form as well as other information the CDC obtains in relation to the Further Processor may be collected and disclosed to other persons for the purposes of monitoring, auditing, or enforcing any of the terms and conditions of the Special Milk Class Permit Program.

C3. Consent and Attestation:

In submitting this application, the applicant consents to the requirements of the application process and warrants that all of the above information is true and correct.

For more information about the Program, please contact:

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