Membership Agreements, Rules and Policy Changes for 2018

Steward Information Webinar
October 17, 2017
Webcast Information

- Speaker advances slides
- Volume control ①
- “Ask a Question” ②
  - Type & click ‘submit’
- Technical issues? Use “Ask A Question”
Agenda

• Overview of changes and goals
• Timeline and resources
• Minor changes impacting all programs
• Key changes impacting all programs
• Changes impacting some programs
• Q&A session
• Next steps
Overview of Changes

• Each program initiated a comprehensive review of their respective Membership Agreements, Rules and policies that govern steward registration, reporting, invoicing and compliance/enforcement to ensure each program:
  – adheres to the appropriate regulatory frameworks;
  – is appropriately aligned and harmonized where feasible in accordance with relevant provincial legislation and program plans;
  – provides clarity for all stewards; and
  – is efficient and effective for stewards.
Overview of Changes

LEGISLATION

REGULATIONS

PROGRAM PLANS

RULES FOR STEWARDS

MEMBERSHIP AGREEMENTS

POLICIES
Timeline and Resources

• Email any comments and feedback by November 10 to: stewardfeedback@cssalliance.ca

• Final approval of changes from all of the Boards – take effect January 1, 2018

• Webpages with all program documents and policies

• National Steward Services team ready to assist now and with any 2018 reporting questions in new year
Minor Changes Impacting All Programs

Voluntary Stewards

- Revisions to the Voluntary Steward Agreement (VSA) and Voluntary Stewards Policy
  - Notification date has changed from Dec 31\textsuperscript{st} to Dec 1\textsuperscript{st}
  - Existing Voluntary Stewards:
    - To cancel your Voluntary Steward Agreement (VSA) and not report in 2018 - please notify the program(s) by December 1\textsuperscript{st}
  - New Voluntary Stewards:
    - If you wish to report in 2018 - please submit a VSA for each respective program by December 1\textsuperscript{st}

- New policy and VSA will be posted after this webinar

October 2017 - Steward Information
Primary Contacts

• Primary Contacts (PCs) currently attest to the accuracy of the reports and that they are the “authorized agent for the Steward”

• New policy for new steward accounts has additional requirement that PC be appointed by a senior officer who has authority to bind the steward organization
Minor Changes (cont’d)

Affiliated organizations

• New registration process for affiliated organizations
  – Going forward, affiliated organizations that wish to report separately will be required to:
    • Seek approval from the stewardship programs
    • Provide detailed information on affiliated/parent organizations

Adjustments

• Minor revisions to Steward Initiated Adjustment Policy
  – Improve clarity – retain intent and scope
  – Approved and processed adjustment credits will be immediately available on your account to be applied to you next program invoice(s)
  – Stewards must be in good standing to initiate requests
Onboarding

• New onboarding policy supports existing operating principle for all programs:
  – Obligated stewards pay fees for all periods for which they supply designated material

• Policy outlines the steps for onboarding and allows new stewards to use estimates for their first reports
Key Changes Impacting All Programs

• Harmonization of Dispute Resolution Policy
• New Parallel Importation Policy
• New requirement to report gross weights
• Application of administrative fees, interest and penalties
Harmonization of Dispute Resolution Policy

• Fairness and transparency are important to all programs and all stewards
• Sometimes, in the course of day-to-day business, differences arise
• To support a fair and efficient resolution process that limits costs and disruption to both parties, the policy will:
  – Focus on resolution at the staff level
  – Move directly to arbitration if senior members of the two organizations are unable to reach agreement
  – Limit arbitration to four hours, if initiated, with costs borne equally by the program and the steward
Parallel Importation

• First importers typically review the annual steward list to confirm if the PPP generated from the branded goods they are supplying to consumers is already covered by another steward
  – Look for resident brand owners or voluntary stewards (i.e. non-resident brand owners)
  – Ensures no double reporting, as they will not report for PPP covered by another steward

• Going forward, the first importer has to report and pay fees on all PPP related to branded goods purchased outside of a normal distribution network, regardless of whether the brand owner of those goods is on the program’s list of registered stewards
Reporting Gross Weights

• Currently, some stewards are reporting based on net weights of PPP supplied to consumers after taking certain deductions
  – Different approaches used to determine net weight
  – Difficult to review and audit
  – Not all stewards claim deductions

• PPP programs in BC, SK, MB and ON premised on the following principle:
  – If obligated PPP is supplied to a residential consumer, it must be included in the steward’s annual report regardless of whether it is disposed of in the garbage or outside of the home.
Reporting Gross Weights (cont’d)

• Change means all PPP supplied to consumers is obligated and must be included in 2018 reports with no deductions
• Food service businesses (i.e. restaurants) can take deductions for on-site waste management
• MMSM stewards supplying plastic bags can deduct return-to-retail quantities
• Deductions will require approval from each program
  – A new Deduction Request form will be available for 2018 reporting
Reporting Gross Weights (cont’d)

• To summarize:
  – All stewards report gross weights
  – Only one sector, food services/restaurants will be eligible to request a deduction for PPP managed by the Steward in the Steward’s own on-site waste management system
  – MMSM plastic bag deduction available
  – Deductions can only be requested after Stewards report their gross weights
  – Deduction requests must be submitted at the same time as your reports
  – Deduction requests will be reviewed and approved before being processed
Administrative Fees, Interest and Penalties

• Goal of the new policy is to promote program compliance and ensure that non-compliant stewards contribute to cost of compliance efforts

• The policy outlines situations where administrative fees, penalties, and interest will be applied:
  – Failing to register within 60 days of becoming obligated
  – Failing to file a report by the deadline
  – Failing to pay an invoice by the invoice deadline
  – Making adjustment requests
Changes Impacting Recycle BC and MMSW

• Minor language edits to Membership Agreements for clarity and harmonization
• References to all new/revised policies now included

May 1st exit clarification

– Stewards who exit prior to May 1st will be required to pay any remaining invoices for that year (within 30 days) but will not be required to file a report and have no financial obligation for future years

– All other Stewards will be considered a continuing member of the program
Changes Impacting MMSM and SO

• New Index and headings
• Clear language

**Not-for-profit organizations**

– Currently, not-for-profit organizations, including charities, do not have access to the same de minimis thresholds as for-profit organizations

– This clarification to the MMSM and SO Rules makes it clear that all stewards have access to the same de minimis thresholds ensuring fairness and a level playing field for all stewards
Non- Resident Franchisors

- For some international franchise systems, the franchisor does not have its own business premises in ON or MB
  - If the resident franchisees are small, and fall under a de minimis threshold, the PPP is not reported
- New provision in MMSM and SO Rules makes the franchisor responsible for the PPP generated by their resident franchise system, regardless of whether they have residency
  - This captures all PPP supplied by all franchisees and ensures a more level playing field
Changes Impacting MMSM and SO (cont’d)

Removal of Proxies

• Historically, MMSM and SO Rules provision permitted a “proxy report” if a steward does not report on time

• Removal of proxies ensures more efficient escalation of non-compliant stewards and improved administrative efficiencies

• Aligns with the approach in Recycle BC and MMSW
Changes Impacting MMSM

• Some new definitions in Rules
  – Improves clarity and harmonization between the two Rules-based programs

• New requirement for Stewards to notify MMSM of changes occurring within its organization
Changes Impacting SO

• Introduction of January billing cycle:
  – Efficiencies with all programs on the same payment schedule

• Proposed quarterly billing cycle means invoice payments will now be due:
  – January 31st
  – April 30th
  – July 31st
  – October 31st
Recap

• Recycle BC Membership Agreement & comparison document
• MMSW Membership Agreement & comparison document
• MMSM Rules & comparison document
• SO Rules & comparison document
• Steward Initiated Adjustment Policy
• Administrative Fee, Interest and Penalty Policy
• Dispute Resolution Policy
• Onboarding Policy
• Parallel Importation Policy
• Primary Contact Policy
• Reporting and Deductions Policy
• Voluntary Steward Policy and Agreements
Questions & Answers
Next Steps

• Final Membership Agreements, Rules and Policies available once approvals have been received from program boards.
• All will be effective January 1, 2018 – except revised VSAs and Policy.
• Q&A will be published.
• National Steward Services team ready to.
• Please submit any feedback by November 10th to stewardfeedback@cssalliance.ca.

Thank You!