

BEFORE THE IOWA DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP
APPLICATION FOR IOWA GRAIN DEALER LICENSE

License No. GD- _____

The undersigned hereby makes application to participate in the Iowa Grain Depositors and Sellers Indemnity Fund in conformity with the provisions of Iowa Code Chapter 203D and to obtain a Grain Dealer License in conformity with the provisions of Iowa Code Chapter 203 and the Rules of the Department of Agriculture and Land Stewardship, and in support thereof, submits the following information:

Full and correct name of applicant _____

Corporate Office _____

Mail Address _____ City _____ State _____ Zip Code _____

Location of Business _____

Street Address _____ City _____ County _____ State _____ Zip Code _____

Mailing Address _____

Street No. or P.O. Box _____ City _____ State _____ Zip Code _____

Name of Manager _____ **Business Phone** _____ **Fax No.** _____

Applicant is a/an _____ doing business under the name of _____
(Corporation, Individual, Partnership or Limited Liability Company)

Fiscal Year End of applicant is _____

INDICATE THE CLASS OF LICENSE WHICH YOU ARE MAKING APPLICATION FOR: CLASS 1 CLASS 2

Class 1 license is required if the grain dealer will purchase any grain by credit-sale contract, or if the value of grain purchases by the grain dealer from producers during the grain dealer's fiscal year will exceed \$500,000.00.

Class 2 license is required for any grain dealer not holding a class 1 license.

DO YOU WISH TO BE AUTHORIZED FOR CREDIT-SALE CONTRACTS? YES NO

Credit-sale contract means a contract for the sale of grain pursuant to which the sale price is to be paid more than thirty (30) days after the delivery of the grain to the buyer, and includes but is not limited to those contracts commonly referred to as deferred payment, deferred pricing, price-later, basis, and minimum price contracts.

FEES:

A. In Box A, list the estimated total bushels of grain to be purchased from any source in the next twelve month period:

A) _____ Bushels

B. Multiply the amount in Box A by \$0.00014. Enter this amount in Box B.

B) \$ _____

C. In box C, enter the greater of the amount in Box B or \$50.00. This is your grain indemnity fund participation fee.

C) \$ _____

D. For the amount listed in Box A, find the correct license fee in the chart D below:

Chart D	<u>PURCHASE AMOUNT</u>	<u>LICENSE FEE</u>	<u>PURCHASE AMOUNT</u>	<u>LICENSE FEE</u>	
<input type="checkbox"/>	35,000 bu. or less	\$66	<input type="checkbox"/>	1,000,001 to 1,850,000 bu.	\$498
<input type="checkbox"/>	35,001 to 250,000 bu.	\$116	<input type="checkbox"/>	1,850,001 to 3,200,000 bu.	\$706
<input type="checkbox"/>	250,001 to 500,000 bu.	\$166	<input type="checkbox"/>	3,200,001 bu. or more	\$955
<input type="checkbox"/>	500,001 to 1,000,000 bu.	\$291			

Divide the fee amount determined in Chart D by 12 and multiply by the number of months from the current month to three months past your company's fiscal year end. Enter this in Box D. This is your pro-rated license fee.

D) \$ _____

E. Enter the total of the amounts in Box C and Box D. This is the total amount due. **PAY THIS AMOUNT**

E) \$ _____

The applicant, if a corporation or a limited liability company, was organized under the laws of the state of _____ and is authorized to do business in the State of Iowa, and that the names and addresses of the officers are as follows:

President _____ Address _____

Secretary _____ Address _____

Treasurer _____ Address _____

If applicant is a partnership the partners are as follows:

Name _____	Address _____
Name _____	Address _____
Name _____	Address _____

LOCATION OF ALL BRANCH OFFICES TO BE OPERATED UNDER THIS LICENSE :

Applicant will submit such further evidence in support of statements made in the application as required by the Department of Agriculture and Land Stewardship. As a condition to the granting of this application, applicant agrees to comply with and abide by all the terms of Iowa Code Chapters 203 and 203D and such rules as are, or may be, prescribed thereunder by the Department of Agriculture and Land Stewardship.

Dated this _____ day of _____, _____

By _____
Signature and Title

OATH

State of _____ }
 County of _____ } ss.

I, _____ being first duly sworn on oath, depose and say that I am the _____
 Title
 of _____, that I have read the foregoing application, know its purpose,
 Business Name
 am familiar with the facts therein set forth and the same is true and correct.

Signature

Subscribed and sworn to before me, a Notary Public in and for the State and County above named, this _____ day of

_____, _____

 Notary Public

Application must be signed and sworn to by applicant, if an individual; by a member of the partnership, if applicant is a partnership; by a corporate officer if the applicant is incorporated; or by an authorized manager if the applicant is a limited liability company.

For Office Use Only :

n/w _____ c / r _____ f / s _____
 csc _____ whse# _____ fye _____
 Fees: _____
 master gd# _____
 Effective : _____
 Approved by : _____

INSTRUCTIONS FOR PREPARATION OF GRAIN DEALER APPLICATION

1. A Class 1 license is required if the grain dealer is to purchase any grain by credit-sale contract, or if the value of the grain to be purchased from producers during the dealer's fiscal year will exceed five hundred thousand dollars (\$500,000.00).

An applicant who desires to be authorized to issue credit-sale contracts shall indicate such on the application form. Be aware that additional requirements are imposed upon dealers who are authorized to issue credit-sale contracts.

A Class 2 license is required for any grain dealer who expects to purchase 1,000 bushels or more from producers in any month and who does not hold a class 1 license.

2. **FEES:** The term of the license runs for one year beginning three (3) calendar months after the dealer's fiscal year end (this is also the date the dealer's annual financial statement is due). The license fee will be prorated on a month-to-month basis for new licenses issued for a period less than a year. A license fee is due based upon the amount of grain purchased. For a new license, the applicant may pay the lowest fee amount and make adjustments at any time the dealer exceeds the maximum purchase amount for each fee bracket. Or the applicant may elect to make an estimate of the amount of purchases to be made and pay the fee for that amount (to avoid having to make one or more adjustments later).

EXAMPLE:

An applicant with a June 30 fiscal year end applies for a license in August. The applicant estimates purchases of 550,000 Bushels for their first fiscal year of operations.

The license period for that firm will be October 1 through September 30. The applicant shall submit the license fee for two months (August and September) along with the application. The amount due for this applicant is \$48.50 (\$291.00 divided by 12 multiplied by 2).

Refer to the fee schedule listed on the application form to find the fee due for your firm. Prorate the fee on a month-to-month basis as shown in this example.

An indemnity fund participation fee is due based upon the amount of grain to be purchased in the applicant's first fiscal year. This fee is not prorated. The fee amount is fourteen thousandths of a cent (\$0.00014) per bushel of grain purchased and an adjustment to actual amounts is made at the end of the applicant's first complete fiscal year. There is a \$50.00 minimum. Call for assistance on this.

Make your check payable to the Iowa Department of Agriculture & Land Stewardship (made be abbreviated as IDALS).

3. Corporations, limited liability companies and limited partnerships shall be registered with the Iowa Secretary of State. Department will verify such registration prior to issuance of license. Similar verification or documentation may be required of general partnerships.

4. **FINANCIAL REQUIREMENTS:**

A. The **applicant** shall file a current financial statement with the application. The financial statement shall be for the applying entity and not another party such as a parent entity. See the rule excerpt on the following page regarding applicant financial statements. The statement shall be prepared in accordance with generally accepted accounting principles and shall have been **reviewed** or **audited** by a Certified Public Account **licensed by the state of Iowa** and shall be accompanied by the accountant's unqualified opinion or review report. If you wish to be authorized to issue credit-sale contracts, be aware that you must either file an audited financial statement or post a bond or irrevocable letter of credit in the amount of one hundred thousand dollars (\$100,000.00).

- B. A Class 1 dealer shall maintain a net worth of \$75,000.00.
- C. A Class 2 dealer shall maintain a net worth of \$37,500.00.
- D. All dealers shall maintain a current ratio of 1:1
(**current assets shall equal or exceed the current liabilities**).
- E. Applicant's or dealers who do not meet these minimums may post a bond under certain situations to cover their deficiency.
- F. A dealer's authorization to issue credit-sale contracts may be denied any time the dealer's current ratio is below 1:1 or any time the dealer's debt to asset ratio exceeds .75:1 or any time the dealer's net worth does not equal at least fifty cents (\$.50) per bushel of grain on credit-sale contract.

Additional requirements apply to the financial statements submitted by sole proprietors.

5. All applications shall be signed by the owner if an individual, a partner if a partnership, or an officer if a corporate entity. All applications shall be fully completed and notarized. Applications shall be accompanied by a completed GD-2A (GD-2B for sole proprietors), the financial statement and the fees.

6. Applications shall be accompanied by a completed Disclosure of Company Ownership, Control and Management form.

7. File applications with:
 Grain Warehouse Bureau
 Iowa Department of Agriculture & Land Stewardship
 Henry Wallace Building
 Des Moines, IA 50319

Phone: 515-281-5987
 FAX: 515-281-6800

21—91.2(203) Definitions. For this chapter, the following definitions apply: ...

“Generally accepted accounting principles” means accounting principles generally accepted in the United States of America, in accordance with the U.S. Financial Accounting Standards Board, or international financial reporting standards, in accordance with the International Accounting Standards Board...

21—91.8(203) Financial statements.

91.8(1) *New license applicants.* To obtain a grain dealer license, an applicant shall submit a financial statement that shall:

- a. Be prepared within three months from the date of filing and comply with subrule 91.8(2), paragraph “a” or “b”, or
- b. Be prepared as of the applicant’s usual fiscal year and comply with subrule 91.8(2), paragraph “a” or “b,” and the applicant has continuously been in business for one year or more and the applicant has submitted any additional financial information required by the bureau; or
- c. Be a forecasted financial statement prepared by a certified public accountant licensed in this state and the applicant is a new business entity that is in the process of transferring funds into the business entity. An applicant who files a forecasted financial statement pursuant to this paragraph shall file a financial statement which complies with subrule 91.8(2), paragraph “a” or “b,” within one month after the date the license is issued by the bureau.

91.8(2) *Financial statement requirements.* Financial statements filed pursuant to subrules 91.8(1), 91.8(3), 91.8(4) and 91.8(11) shall be prepared in accordance with generally accepted accounting principles and shall comply with either of the following:

- a. Be accompanied by an unqualified opinion based upon an audit performed by a certified public accountant licensed in this state. The bureau may accept a qualification in an opinion that is unavoidable by any audit procedure. Opinions that are qualified because of the limited audit procedure or because the scope of an audit is limited shall not be accepted by the bureau; or
- b. Be accompanied by the report of a certified public accountant licensed in this state that is based upon a review performed by the certified public accountant.

91.8(3) *Sole proprietorship financial statements.* An individual licensed as a sole proprietorship

~~91.8(3)~~ *Sole proprietorship financial statements.* An individual licensed as a sole proprietorship shall file a financial statement which conforms with the provisions of subrules 91.8(2) and 91.8(4) on the proprietorship business. The individual shall also file a personal statement of financial condition which conforms with the provisions of subrules 91.8(2) and 91.8(4). The personal statement of financial condition shall also disclose the historical cost basis for assets as provided in Iowa Code section 203.3.