

**Rabbinic Members:**

Rabbi Simon Benzaquen  
Rabbi Salamon Cohen-Scali  
Rabbi Mordechai Farkash  
Rabbi Moshe Kletenik  
Rabbi Yechezkel Kornfeld  
Rabbi Shalom Ber Levitin  
Rabbi Solomon Maimon

**Interim Director:**

Al Maimon



ב"ס"ד

## Va'ad HaRabanim of Greater Seattle

---

### Letter to the Community from the Va'ad

May 2, 2008

In our ongoing effort to increase communication with the community and mainly to provide better understanding about the Kashrut aspect of the Va'ad's work, we are beginning a series of "papers" to explain how the Vaad operates and works with others to bring increased kosher options to our community. In this first issue, we briefly describe the various types of certification activity provided and some major factors of the financial workings of the Va'ad.

#### **Introduction/ Background**

The Vaad actively works with community and independent entities to expand and improve the provision of kosher food and services to the kosher consumer. The Vaad does not produce such products or operate any such businesses; rather, the Vaad actively partners with such entities to find a way to provide kosher certification in the most cost-effective manner.

Before the Va'ad began its current operations in the mid 90's, the community (in the form of the Federation and the three Seward Park synagogues) used to highly subsidize the provision of very limited kosher certification of the baker(s), the butcher(s) [including local shechita - ritual slaughter], and special operations such as certain Pesach products. Then, in response to a business plan and loan application, the "start up" money for an independent, self-sustaining entity was provided to the Va'ad by the Federation and some synagogues in the form of loans (some amount of which was forgiven over time). Since that time, the Va'ad has been operating without subsidies, covering all expenses from income, including the repayment of the remaining loans.

If there is interest in more detail about the following or related matters, please let us know your questions or comments and we'll gladly respond, personally or publically. You can contact the office (Elise Jacobs or Al Maimon), or one of the Rabbis on the Va'ad (listed above), or a representative lay-person from one of the Va'ad-member synagogues (Eli Pieprz from CSA, Robin Gindin or George Korn from EB, Jake Korn from SBH, Liz Rosen from BCMH, Bess Cox from CSTL).

Subsequent articles will cover the nature of the policies, tasks, resources and relationships involved in finding, providing, and maintaining establishments that the Va'ad partners with to provide certification. Also, we will cover other aspects of the Va'ad's operation including Gerut (conversion) and Meshulachim (certifying out-of-town solicitors).

#### **Income**

The main source of income to the Va'ad is certification fees. There are three basic types of customers - caterers, local (mostly retail) establishments and "industrial" customers producing products that end up for sale locally, regionally and some even nationally - "in the food chain", so to speak. Each customer type has its own fee schedule, reflecting a variety of considerations. One consideration is the perceived importance/value to the community. Providing kosher certification is a very labor-intensive service, with the amount of time spent to ensure a kosher operation in terms of ingredients, equipment, and processes varying significantly depending on the complexity of operation, the nature of the product, and the facility, as well.

For the first two categories, cost recovery is the basic model: sometimes it's simply recovering direct costs; for others it includes recovering direct costs and indirect costs. In extreme cases when there's a strong sense of community value and the institution has constraints on their ability to pay, the fee may not even cover direct costs. In these cases, the Va'ad is effectively subsidizing the establishment so that the community will have access to their products and services.

In the industrial sector, the model of pricing reflects value rather than simply cost recovery. That is, in this sector

**Rabbinic Members:**

Rabbi Simon Benzaquen  
 Rabbi Salamon Cohen-Scali  
 Rabbi Mordechai Farkash  
 Rabbi Moshe Kletenik  
 Rabbi Yechezkel Kornfeld  
 Rabbi Sholom Ber Levitin  
 Rabbi Solomon Maimon



## Va'ad HaRabanim of Greater Seattle

---

**Interim Director:**

Al Maimon

certification is viewed as a marketing cost, not a manufacturing cost. A key determining factor here is for our fees to be in line with other regional and the national kosher certifying agencies. We typically charge less than most others reflecting, the more limited "name recognition" of our certification.

There is a modest amount of our income from our membership campaign. We also charge fees for other Va'ad services (e.g., a meshulach administrative fee and Bet Din related services) that barely cover direct costs.

**Expense**

As for costs, it is important to understand that the Va'ad Rabbis receive no fee for their participation in the Va'ad board at all. They spend considerable time at meetings discussing policies and communal issues, sharing in the rabbinical responsibility of the certification of various customers, etc.

Our main costs come from the Kashrut certification "business". This is largely labor, split between direct hashgacha (supervision) and indirect administration/support that includes scheduling, tracking questions about ingredients and processes, researching current issues, marketing, responding to consumer questions about products, certifying agencies, and other matters, recruiting, training, and otherwise supporting mashgichim. Non-labor expenses such as rent, facilities, computing and communications constitute a significant, but relatively small amount of expense.

**The Bottom Line**

The bottom line is that since taking the initial loans, the Vaad has maintained its ability to provide the kashrut and other community services and pay for them of operating revenue. This includes, as mentioned above, some intentional subsidy associated with providing certain key community services. The intent in the long run is for this to continue and for the Va'ad to be able to provide expanded communal service, possibly with initial community support to help fund entry into expanded service.

Al Maimon  
 Interim Director