

**Forest Service Handbook  
National Headquarters - Washington Office  
Washington, DC**

**Forest Service Handbook 2409.19 – Renewable Resources Handbook**

**Chapter 70 - Salvage Sale Fund Collections Costs and Accounting**

**Amendment:** 2409.19-2022-8

**Effective date:** April 26, 2022

**Duration:** This amendment is effective until superseded or removed.

**Approved by:** Tina Terrell, Associate Deputy Chief, NFS

**Date approved:** April 25, 2022

**Responsible Staff:**

**Last Change:** 2409.19-2022-7

**Superseded Document(s):** 2409.19-2011-2, March 2, 2011

**Digest:** Following is an explanation of the changes throughout the directive by section.

**Chapter 70:** Removes references to Automated Timber Sale Accounting (ATSA) and replaces with Forest Products Financial System (FPFS).

**Section 70.3:** Removed requirement to expend Salvage Sale Funds (SSF) only on sales where Salvage Sale program is identified in the purpose and need statement of the National Environmental Policy Act (NEPA) documentation.

**Section 70.4:** Revises and recodes Responsibility section.

**Section 70.41:** Retitles to Chief.

**Section 70.41a:** Establishes code, caption, and sets forth direction for Deputy Chief, National Forest System.

**Section 70.42:** Retitles from “Washington Office, Director of Program and Budget Analysis” to “Washington Office, Director of Forest Management”. Adds direction to review Regional Salvage Sale Fund balances and to issue an annual report to the Regions.

**Section 70.5:** Establishes code, caption, and sets forth direction for Definitions.

**Section 71.1:** Retitles section from “Determining Use of Salvage Sale Fund” to “Naming of Salvage Sales”.

Removes section 71.11.

Removes section 71.12.

**Section 71.2:** Contains direction previously set out in section 71.

**Section 72:** Provides direction for Salvage Sale Program Report. Provides direction on an annual report being shared with the Regions to communicate the current state of the program.

**Section 72.1:** Establishes code, caption, and sets forth direction for Emergency Salvage Sales.

**Section 73:** Recodes information previously in section 71. Provides direction regarding how to efficiently move through the project analysis phase of preparing salvage sales.

**Section 74:** Recodes information previously in section 72.

**Section 74.1:** Establishes caption and sets forth direction for Appropriate Use of Salvage Sale Funds. Provides direction previously set out in FSM 2435.23a.

**Section 74.2:** Inappropriate Use of Salvage Sale Funds. Contains information that had been located in FSM 2435.23b.

**Section 75:** Recodes information previously in section 73.

**Section 75.1:** Sets forth direction for Determining Status of Salvage Sale Fund Balance.

**Section 75.2:** Recodes information previously in section 73.1.

**Section 75.21:** Recodes information previously in section 73.11.

**Section 75.22:** Recodes information previously in section 73.12.

**Section 75.22a:** Recodes information previously in section 73.12a.

**Section 75.22b:** Recodes information previously in section 73.12b.

**Section 75.23:** Recodes information previously in section 73.13.

**Section 75.24:** Recodes information previously in section 73.14.

**Section 75.3:** Establishes caption and sets forth direction for Priority of Receipt Distribution. Sets forth direction regarding balancing collections to the permanent and trust funds.

**Forest Service Handbook 2409.19 – Renewable Resources Handbook**  
**Chapter 70 - Salvage Sale Fund Collections Costs and Accounting**  
**Amendment:** 2409.19-2022-8  
**Effective date:** April 26, 2022

**Section 75.4:** Recodes information previously in section 73.2.

**Section 75.41:** Recodes information previously in section 73.21.

**Section 75.42:** Recodes information previously in section 73.22. Removed Exhibit 01 and Exhibit 02. Included a reference to the location on the Forms Sharepoint Site.

**Section 75.42a:** Recodes information previously in section 73.22a. Removed Exhibit 01 Example of Salvage Sale Plan Narrative.

**Section 75.42b:** Recodes information previously in section 73.22b. Removed Exhibit 01 Calculating Cost Per Unit.

**Section 75.42c:** Recodes information previously in section 73.22c.

**Section 75.42d:** Recodes information previously in section 73.22d.

**Section 76:** Recodes information previously in section 74.

Removes section 74.1.

**Section 76.1:** Recodes information previously in section 74.11. Revised to include additional direction regarding obligation authority, cost calculations and funds collected to date.

**Section 76.11:** Recodes information previously in section 74.12.

**Section 76.2:** Recodes information previously in section 74.2.

**Section 76.21:** Recodes information previously in section 74.21.

**Section 76.22:** Recodes information previously in section 74.22.

**Section 76.23:** Recodes information previously in section 74.23.

**Section 77:** Recodes information previously in section 75.

**Section 77.1:** Recodes information previously in section 75.1.

**Section 77.2:** Recodes information previously in section 75.2

**Section 77.21:** Recodes information previously in section 75.21. Removed Exhibit 01

**Section 77.22:** Recodes information previously in section 75.22. Removed Exhibit 01.

**Section 77.23:** Recodes information previously in section 75.23.

**Forest Service Handbook 2409.19 – Renewable Resources Handbook**

**Chapter 70 - Salvage Sale Fund Collections Costs and Accounting**

**Amendment:** 2409.19-2022-8

**Effective date:** April 26, 2022

**Section 77.3:** Recodes information previously in section 77.3. Exhibit 01 revised to reflect current processes and form numbers.

Forest Service Handbook 2409.19 – Renewable Resources Handbook  
Chapter 70 - Salvage Sale Fund Collections Costs and Accounting  
Amendment: 2409.19-2022-8  
Effective date: April 26, 2022  
**Table of Contents**

<b>70.1 - Authority .....</b>	<b>7</b>
<b>70.2 - Objective .....</b>	<b>7</b>
<b>70.3 - Policy .....</b>	<b>7</b>
<b>70.4 - Responsibility.....</b>	<b>7</b>
<b>70.41 - Chief.....</b>	<b>7</b>
<b>70.41a - Deputy Chief, National Forest System.....</b>	<b>7</b>
<b>70.42 - Washington Office, Director of Forest Management.....</b>	<b>8</b>
<b>70.422 - Albuquerque Service Center, Budget and Finance.....</b>	<b>8</b>
<b>70.424 - Washington Office, Director of Strategic, Planning, Budget, and Accountability (SPBA).....</b>	<b>8</b>
<b>70.427 - Washington Office, Director of Ecosystem Management Coordination.....</b>	<b>9</b>
<b>70.428 - Washington Office, Director of Engineering .....</b>	<b>9</b>
<b>70.43 - Regional Foresters .....</b>	<b>9</b>
<b>70.44 - Forest Supervisors .....</b>	<b>10</b>
<b>70.45 - District Rangers .....</b>	<b>11</b>
<b>70.5 - Definitions .....</b>	<b>12</b>
<b>71 - Salvage Sale Fund (SSF) .....</b>	<b>13</b>
<b>71.1 - Naming Salvage Sales .....</b>	<b>13</b>
<b>71.2 - Salvage Sale Fund.....</b>	<b>13</b>
<b>72 - Salvage Sale Program Report .....</b>	<b>13</b>
<b>72.1 - Emergency Salvage Sales .....</b>	<b>14</b>
<b>73 - Salvage Sale Preparation Procedures and Resource Coordination .....</b>	<b>14</b>
<b>73.1 - Determining Use of the Salvage Sale Fund .....</b>	<b>15</b>
<b>73.11 - Silvicultural Treatment Basis.....</b>	<b>15</b>
<b>73.12 - Representative Silvicultural Treatment Situations .....</b>	<b>16</b>
<b>74 - Use of Salvage Sale Funds .....</b>	<b>16</b>
<b>74.1 - Appropriate Use of Salvage Sale Funds .....</b>	<b>16</b>
<b>74.2 - Inappropriate Use of Salvage Sale Funds.....</b>	<b>17</b>
<b>75 - Salvage Sale Fund Collections and Expenditures .....</b>	<b>18</b>
<b>75.1 - Determining Status of Salvage Sale Fund Balance .....</b>	<b>18</b>
<b>75.2 - Associated Costs and Collections .....</b>	<b>19</b>
<b>75.21 - SSF Plan Project Unit Costs and Inflation .....</b>	<b>19</b>
<b>75.22 - Program Support Costs .....</b>	<b>19</b>
<b>75.22a - Program Support Content .....</b>	<b>19</b>
<b>75.22b - Program Support Deposits .....</b>	<b>20</b>
<b>75.23 - Salvage Sale Fund Surcharge Collections .....</b>	<b>20</b>
<b>75.24 - Minimum Deposits to National Forest Fund .....</b>	<b>21</b>
<b>75.3 - Priority of Receipt Distribution .....</b>	<b>21</b>
<b>75.4 - Salvage Sale Fund Plan and Supporting Documentation.....</b>	<b>22</b>
<b>75.41 - Developing Salvage Sale Fund Plan.....</b>	<b>22</b>
<b>75.42 - Form FS-2400-51 - Salvage Sale Plan.....</b>	<b>22</b>

Forest Service Handbook 2409.19 – Renewable Resources Handbook

Chapter 70 - Salvage Sale Fund Collections Costs and Accounting

Amendment: 2409.19-2022-8

Effective date: April 26, 2022

75.42a - Narrative Statement.....	22
75.42b - Cost Computations.....	23
75.42c - Inflation Rate .....	23
75.42d - Program Support Costs.....	24
76 - Expenditures and Program Budgeting .....	24
76.1 - Permitted Expenditures.....	24
76.11 - Salvage Sale Fund Expenditure Review.....	24
76.2 - Program Budgeting .....	25
76.21 - Pooling Salvage Sale Funds .....	25
76.22 - Loaned Salvage Sale Funds between Forests .....	26
76.23 - Loaned Salvage Sale Funds between Regions .....	26
77 - Accounting Techniques .....	26
77.1 - Salvage Sale Fund Plan (FS-2400-51) Review .....	26
77.2 - Salvage Sale Fund Balance Analysis .....	27
77.21 - Forest Salvage Sale Fund Balance Analysis .....	27
77.22 - Regional Salvage Sale Fund Balance Analysis.....	28
77.23 - National Salvage Sale Fund Balance Analysis.....	29
77.3 - Transfers of Excess Salvage Sale Funds .....	30

## **70.1 - Authority**

The National Forest Management Act of 1976 and Section (h) (16 U.S.C. 472a(h)) provides authority for the Salvage Sale Fund (SSF). Specific objectives, policy, and responsibilities are provided in this chapter (FSM 2435; FSM 2401).

## **70.2 - Objective**

Salvage situations may evolve rapidly, and frequently the affected timber resources deteriorate quickly. Manage the corresponding SSF to provide for the rapid, optimum implementation of the salvage sale program to allow practical use of wood material damaged through natural and sometimes catastrophic events, such as insects, windstorms, wildfires, hurricanes, and tornadoes. The Salvage Sale program is also proactively used to remove associated trees for timber stand protection because of susceptibility to insect and disease attack, genetic inferiority, or stand overstocking.

## **70.3 - Policy**

To help with the recovery of damage to resources due to catastrophic events and to minimize associated losses, use the SSF; a special fund available to prepare and administer qualifying timber sales. When SSF funds are unavailable, use appropriated funds, in accordance with approved procedures, to accomplish salvage sale program work.

Determine the current and expected salvage sale program volumes from all sales. Use the funds represented by this volume to plan and execute SSF collections and expenditures to provide for an effective and efficient salvage sale program. Manage the SSF to ensure continued availability of these funds. (FSM 2435)

## **70.4 - Responsibility**

### **70.41 - Chief**

The Chief has the authority to waive the stay of implementation requirement with a determination that an emergency exists in accordance with 36 CFR Part 215.10.

### **70.41a - Deputy Chief, National Forest System**

It is the responsibility of the Deputy Chief, National Forest System, to:

1. Provide direction and oversight for the management of the Salvage Sale program.
2. Review the excess Regional balances to determine if other regions need additional Salvage Sale Funds or whether to return excess funds to the United States Treasury.
3. Serve as approving official for transfers of available excess Salvage Sale Fund money between regions, as needed, to meet Regional requests and needs.

4. Provide by November 15 or earlier each year the national program support rate and inflation factor to use in developing Salvage Sale collection plans.

#### **70.42 - Washington Office, Director of Forest Management**

It is the responsibility of the Director of Forest Management to:

1. Provide leadership, technical direction, and oversight of the Salvage Sale program.
2. Review annually the Regional Salvage Sale Fund (SSF) balances in cooperation with the Financial Management staff and the Strategic, Planning, Budget, and Accountability staff.
3. Communicate with the Regional Offices the status of the Salvage Sale program by issuing an annual report.
4. Recommend to the Deputy Chief, National Forest System, transfers of SSF money between regions, as needed to accomplish the Salvage Sale program.
5. Conduct integrated periodic permanent and trust funds reviews in coordination with other resource, budget, and financial management staffs.
6. Approve justifiable requests made by Regions to temporarily retain more than 150 percent of the planned salvage sale program level.

#### **70.422 - Albuquerque Service Center, Budget and Finance**

It is the responsibility of the Albuquerque Service Center (ASC), Budget and Finance to:

1. Assist in the financial management activities and internal financial controls associated with the Regional SSF.
2. In cooperation with the Forest Management and the Strategic, Planning, Budget, and Accountability (SPBA) staff, assist in the annual review of the salvage sale fund balances.
3. Participate in Washington Office permanent and trust funds reviews.

#### **70.424 - Washington Office, Director of Strategic, Planning, Budget, and Accountability (SPBA)**

It is the responsibility of the Director of Strategic, Planning, Budget, and Accountability (SPBA) to:

1. Provide apportionment authority for obligating SSF funds (FSH2409.19, ch. 90).
2. Determine annually the assessment for the National Support Rate for use in the preparation of Salvage Sale Plans.



3. Ensure annual review of excess Salvage Sale Fund transfers to the U.S. Treasury in cooperation with the Chief Financial Officer (CFO) staff and Forest Management staff.
4. In collaboration with the Forest Management staff, participate in the annual review of the salvage sale fund balances.
5. To the extent possible, participate in Washington Office permanent and trust funds reviews.

**70.427 - Washington Office, Director of Ecosystem Management Coordination**

It is the responsibility of the Director of Ecosystem Management Coordination to:

1. Assist units in coordinating emergency-type Salvage Sale program activities with the Environmental Protection Agency to obtain necessary clearances.

**70.428 - Washington Office, Director of Engineering**

It is the responsibility of the Director of Engineering to:

1. Coordinate with the Director of Forest Management on the use of the Salvage Sale Fund to accomplish transportation system work needed to address salvage sales opportunities.

**70.43 - Regional Foresters**

It is the responsibility of each Regional Forester to:

1. Approve justifiable requests made by Forests to temporarily retain more than 150 percent of the planned salvage sale program level.
2. Oversee and approve annually the Salvage Sale surcharge collections to be used by individual Forests or throughout the Region.
3. Annually assess the SSF program of work across the Region and coordinate efforts among National Forest System offices, as needed.
4. Oversee the annual development of the Regional Salvage Sale program and request authority accordingly from the Washington Office.
5. Review Forest Supervisor requests to determine if an emergency situation (ESD) appears to exist and, if it does, to forward the request to the Chief for a decision in accordance with authority provided at 36 CFR 215.10(d).
6. Establish appropriate cruise accuracy standards for specific Salvage Sale program situations (FSH 2409.12, ch. 40).

7. Regional foresters may establish supplemental direction for the forest supervisors' annual reviews of SSF account balances.
8. Monitor the Region's SSF transfers to and repayments due from other Regions.
9. Coordinate and approve Forest Supervisor requests to transfer funds to another Forest within the Region.
10. Oversee the documentation of the budget coordination process used to estimate the planned SSF expenditures.
11. Develop a system for monitoring and ensuring that identified excess funds are transferred to the Washington Office by the date set forth in the year end reporting letter by the Washington Office.
12. Summarize and report the status of the SSF account to the Washington Office, Director of Forest Management by the date set forth in the year end reporting letter by the Washington Office.
13. Schedule periodic reviews, at least every 3 to 4 years, of the Forest Management and Financial Management program areas of each National Forest's Salvage Sale program activities.
14. To the maximum extent possible, use the flexibility within the Forest Service Directive System to expedite Salvage Sales.

#### **70.44 - Forest Supervisors**

It is the responsibility of Forest Supervisors to:

1. Develop a Salvage Sale program annually.
2. Ensure that each sale used to collect or expend the SSF meets the definitions of, and is consistent with, the criteria for using SSF.
3. Ensure that each Salvage Sale is in compliance with 36 CFR 223.30 and the applicable land and resource management plan.
4. Ensure that National Environmental Policy Act (NEPA) decision is referenced in the narrative for the salvage sale plan.
5. When a potential emergency exists, develop a recommendation and request Regional Forester review, as provided for at 36 CFR 215.10(b).
6. Ensure collection of SSF from timber sale contracts for all eligible sales within Forest Supervisor authority.

**Forest Service Handbook 2409.19 – Renewable Resources Handbook**

**Chapter 70 - Salvage Sale Fund Collections Costs and Accounting**

**Amendment:** 2409.19-2022-8

**Effective date:** April 26, 2022

7. Ensure proper management of the Forest's SSF account, concurrently with all other permanent appropriations and trust funds, to ensure enough collections to accomplish future program needs.
8. Review annually the Forest's SSF account balances. Ensure preparation of a Salvage Sale Fund Balance Analysis (form FS-2400-52) for the Forest. Identify excess balances that could be transferred to the Washington Office, and report findings to the Regional Forester. Ensure the transfer of any excess funds to the Regional Forester or request an exception from the Regional Forester.
9. Ensure documentation of the budget process used to estimate the planned expenditures, including program management costs at the Forest level.
10. Review the Forests' and Districts' expenditure estimates to ensure consistency with SSF Plans and identify needs for Salvage Sale surcharge collections.
11. Determine and approve annually the Salvage Sale surcharge collections to be used throughout the Forest when developing SSF Plans.
12. Ensure a SSF Plan (FS 2400-51) is prepared for each sale collecting or expending SSF.
13. Approve the SSF Plans (form FS-2400-51) and subsequent revisions within delegated authorities. Ensure each plan includes documentation supporting the assumptions used and that the Forest has not exceeded authorized SSF surcharge collection limits.
14. Review annually, and update as needed, the SSF Plans for open sales to ensure that each plan reflects the current unit cost rates and the national program support collection rate and inflation rate.
15. Issue guidance establishing the correct collection rate to be used in determining planned Forest level program support costs.
16. Schedule periodic reviews of the Forest Management and Financial Management program areas of each District's Salvage Sale program activities. Review each District at least every 3 to 4 years or concurrent with business management reviews (FSM 1410), whichever is sooner.
17. Annually, apply the national program support collection rate and inflation rate to every open SSF plan (FS 2400-51).

**70.45 - District Rangers**

It is the responsibility of each District Ranger to:

1. Identify timber stand areas having threatened or actual tree mortality and initiate actions to effectively address potential salvage situations in a timely manner where appropriate.

**Forest Service Handbook 2409.19 – Renewable Resources Handbook**

**Chapter 70 - Salvage Sale Fund Collections Costs and Accounting**

**Amendment:** 2409.19-2022-8

**Effective date:** April 26, 2022

2. Complete appropriate work required by the National Environmental Policy Act (NEPA) requirements (FSH 1909.15) to promptly address salvage situations.
3. Ensure that NEPA decision is referenced in the narrative for the Salvage Sale plan
4. Determine budget requests for Salvage Sale Funds (SSF) based on estimated expenditures. Document assumptions made when calculating expenditures. Submit the information to the Forest Supervisor for review and approval.
5. Determine if a sale meets the criteria of a Salvage Sale in accordance with FSH 2409.19 (73.1).
6. Develop and approve SSF Plans and subsequent revisions, as needed, within delegated authorities and documenting all plan assumptions. For sales exceeding District Ranger authority, develop SSF Plans and submit them to the Forest Supervisor for approval.
7. Review SSF Plans to ensure they reflect current costs and national support rates. Forward SSF Plan information to the Forest Supervisor for use in the annual SSF balance analysis (FSH 2409.19, sec 77.2)
8. Ensure collection of SSF from timber sale contracts for all eligible sales within District Ranger authority.

## **70.5 - Definitions**

The silviculture related definitions for regeneration, regeneration cutting, salvage, sanitation, and stand improvement originate from the Society of American Foresters (SAF) as set out in the SAF publication, The Dictionary of Forestry, (ed. Robert Deal, 2018, Washington, DC, p. 210). These SAF definitions are professionally recognized and legally defensible.

**Regeneration.** The act of renewing tree cover by establishing young trees naturally or artificially.

**Regeneration cutting.** Any removal of trees intended to assist regeneration already present or to make regeneration possible.

**Salvage.** The removal of dead trees or trees damaged or dying because of injurious agents other than competition, to recover economic value that would otherwise be lost.

**Salvage component.** The incidental salvage of individual units, groups of trees, or individual trees included within a regular program timber sale where the primary reason for entry is other than salvage.

**Salvage Sale.** A timber sale for the purpose of salvage, which excludes any other silvicultural treatments. Salvage Sales may include an incidental amount of non-salvage timber for access and safety.

Salvage Sale surcharge. Salvage Sale Fund collections made on Salvage Sales and the salvage component of other timber sales in excess of the projected cost of the sale's preparation and administration and used to ensure a continuing salvage program.

Sanitation. The removal of trees to improve stand health by stopping or reducing the actual or anticipated spread of insects and disease.

Stand improvement. An intermediate treatment made to improve the composition, structure, condition, health, and growth of even or uneven-aged stands.

Salvage Sale Fund Excess Fund Transfers. A Forest Service accounting procedure and is not included in the Dictionary of Forestry. It describes Salvage Sale Funds identified as excess to a Forest's or Region's annual need and available for transfer to another Forest or Region or to the National Forest Fund (16 U.S.C. 472a(h); FSH 6509.11g, sec. 62.4).

## **71 - Salvage Sale Fund (SSF)**

### **71.1 - Naming Salvage Sales**

Timber sale names should be based upon the purpose and need identified in the National Environmental Policy Act (NEPA) documentation rather than the source of funding. For sales having the exclusive purpose and need of salvage removal, use the term "salvage" in the sale name. For sales having a salvage component, document the estimated percentage of the sale expected to be salvage in the Timber Information Management (TIM) system.

### **71.2 - Salvage Sale Fund**

The Salvage Sale Fund (SSF) is a permanent fund available for preparing and administering timber sales involving the removal of insect-infested, dead, damaged, or down trees, and to remove associated trees for stand improvement. The SSF is used for administering timber sales for salvage purposes or for timber sales with a salvage component within the Salvage Sale program. The fund is intended to permit the expeditious preparation and administration of timber sales containing trees damaged through natural events such as fire, insects, tornadoes or hurricanes.

If funds in the SSF are inadequate or unavailable, use available appropriated funds. When using appropriated funds, report accomplishments in the same manner as reporting for regular timber sales. Base accomplishment reporting on the funding source.

## **72 - Salvage Sale Program Report**

To facilitate Service-wide communication and to share findings and observations having Service-wide benefits, the Washington Office, Director of Forest Management shall distribute to the regional foresters an annual report on the Salvage Sale program and the management of the Salvage Sale Fund (SSF). Prepare and distribute the report in the second quarter of each fiscal year and include, at minimum, the following information:

1. Identify common problems or issues noted during the administrative reviews.
2. Identify common problems or issues noted in preparing and summarizing the information from the annual balance analysis.
3. Include the “best practices” identified during the annual reviews.

### **72.1 - Emergency Salvage Sales**

Some situations require the prompt removal of damaged timber to avoid deterioration, the spread of insects, or to protect resource values. An emergency Salvage Sale is one that arises from an unexpected event or serious occurrence or situation requiring urgent action. Examples of these situations include wildfire, windstorm blowdown, or hurricane. A Salvage Sale may be designated as an emergency only when the Chief has determined that an emergency exists pursuant to the Appeals Reform Act and 36 CFR 218.21. The Responsible Official shall notify the public when an emergency situation allows implementation of a timber sale or stewardship contract without the stay during the objection period (36 CFR 218.21).

Each Region must expedite Salvage Sales in roaded areas having little likelihood of significant environmental impacts and where either a high risk of fire and loss of life or property exists or a high risk of timber deterioration exists.

1. Sales in roaded areas where only minor access is needed, and minimal resource impact is projected, should be ready for advertising within 90 days of the determination of the need for salvage. Consider using an incident command-type system to expedite the sale process (FSH 5109.17).
2. Salvage Sales in other areas where access is limited may require more than 90 days to prepare, but those sales should be offered as soon as possible.

### **73 - Salvage Sale Preparation Procedures and Resource Coordination**

Recognizing the urgency of each situation and using the flexibility within the Forest Service Directive System; expedite Salvage Sale program efforts within the constraints of the delegated authority.

1. Project Analysis and Documentation.
  - a. National Environmental Policy Act (NEPA) compliance. Use existing information to the maximum extent possible and collect new information only where essential. Tier NEPA documentation to existing environmental documents, such as the forest plan environmental impact statement (EIS), wherever possible. Incorporate other documentation by reference and use categorical exclusions, where feasible.

If the prescribed comment period for a draft EIS or waiting period before implementation of a final EIS must be reduced for “compelling reasons of national

policy” (40 CFR part 1506.11), contact the Washington Office, Director of Ecosystem Management Coordination for assistance and additional guidance (FSH 1909.15, sec. 07). Utilize the most efficient means of environmental analysis possible that is appropriate for the project.

- b. Biological evaluations. For threatened and endangered species, use existing information only, unless the responsible Line Officer determines field reconnaissance is necessary. The need for, and extent of, field reconnaissance should be commensurate with the project-associated risk to the species involved and with the level of knowledge already available. Work with the Fish and Wildlife Service and the National Marine Fisheries Service to shorten timeframes for consultation, wherever possible.

For species designated by the Regional Forester as sensitive or as species of conservation concern (SCC), use existing information. Limit the collection of any additional field data to the specific areas where sensitive species or SCCs are known to exist or are likely to exist because of known habitat. Consider excluding areas known to have high habitat value from initial Salvage Sales when field data collection would unnecessarily delay the project. The previously excluded areas may be included later in future sales after completing the additional data collection.

- c. Cultural resource surveys. Refer to existing cultural resource surveys. Limit new cultural resource surveys to only high priority areas identified in a cultural resource overview. Consider excluding high priority areas from initial Salvage Sales when the need for surveys would unnecessarily delay the project. After completing needed surveys in the high priority areas, include such areas in future sales later, if appropriate.
2. Fuels treatment. Ensure that activity fuels are treated to mitigate wildfire risks. Provide for adequate BD collections.
  3. Timber sale procedures. Expedite timber sale preparation by using area sales (FSH 2409.18, sec. 11), scaled sales (FSH 2409.15, ch. 20), and shorter advertisements to avoid deterioration or to minimize likelihood of the spread of insects (FSM 2432.47b, par. 4).

### **73.1 - Determining Use of the Salvage Sale Fund**

The following guidance describes when to use the SSF on a timber sale having qualified salvage volume.

#### **73.11 - Silvicultural Treatment Basis**

The purpose and need statement in the corresponding NEPA documentation and the silvicultural objective of the treatment determines when to deposit to and expend from the SSF. Use the SSF

to fund timber sales having a salvage silvicultural treatment. Similarly, fund the salvage component of any timber sale with the SSF.

### **73.12 - Representative Silvicultural Treatment Situations**

Use the SSF for timber sales that have the removal of salvage as the primary objective for the sale, although the sale also may accomplish other resource management objectives.

1. Salvage plus Sanitation. Use SSF when the timber stand is dead, dying, or damaged from an active infestation of insects or disease, and sanitation, in conjunction with salvage, reduces the actual spread of the insects or disease. When the purpose of the timber sale is prevention of the anticipated spread of insects or disease, and no immediate threat to the timber stand exists, do not use the SSF.
2. Salvage plus Stand Improvement. Use SSF for all treatments when the removal of salvage represents the primary objective of the timber sale and associated stand improvement objectives may be accomplished within the stand. When stand improvement (including forest health treatments) is the primary reason for the sale, do not use the SSF.
3. Salvage plus Regeneration. Use SSF when the amount of dead, dying, or damaged timber in a stand is great enough to require complete removal of the stand, as well as regeneration, to restore a healthy forest. When timber stand regeneration, rather than salvage removal, is the primary reason for the sale, do not use the SSF.

## **74 - Use of Salvage Sale Funds**

Use the SSF in conjunction with appropriated funds to plan, prepare, sell, and administer salvage sale program timber sales. Wood material on the sales includes convertible products from both chargeable and non-chargeable components identified in the forest plan. Fund the salvage component of non-salvage sales with SSF in proportion to the size of the salvage component and fund the remainder of the sale with appropriated funds. In all instances, adhere to Forest Service accounting procedures and practices.

### **74.1 - Appropriate Use of Salvage Sale Funds**

The SSF may be used for the following representative work activities associated with Salvage Sale activities:

1. Stand examination and prescription needed.
2. National Environmental Policy Act (NEPA) documentation and associated planning assistance.
3. Timber sale preparation.



**Forest Service Handbook 2409.19 – Renewable Resources Handbook**  
**Chapter 70 - Salvage Sale Fund Collections Costs and Accounting**  
**Amendment: 2409.19-2022-8**  
**Effective date: April 26, 2022**

4. Resource coordination.
5. Engineering design and maintenance supervision of road construction.
6. Land line location to establish sale area boundary only.
7. Objections and litigation on salvage volume.
8. Timber sale administration.
9. Law enforcement of Salvage Sale activities.
10. Overhead and indirect costs.

The SSF may be used based on the percentage of Salvage Sale program use for the procurement of new equipment, facilities, or vehicles; for the financing of replacement equipment; and for all vehicle or equipment maintenance, Fixed Ownership Rate (FOR), and repair costs. See FSH 2409.19, sec. 81.32 for appropriate uses of SSF under Good Neighbor Agreements.

#### **74.2 - Inappropriate Use of Salvage Sale Funds**

Specifically, do not use SSF for the following work activities related to any timber sale:

1. Forest land and resource management planning.
2. Forest management planning and inventory.
3. Long-range forest or area planning.
4. Area analysis.
5. Large-scale resource inventories, surveys, or assessments.
6. Monitoring effects of timber sale activities other than contract administration.
7. Initiatives or special projects, unless reviewed and approved by the Chief.
8. Right-of-way acquisition.
9. Road construction or reconstruction.
10. Road maintenance.
11. Facility construction, unless such construction meets the criteria set out in the Service-wide Appropriation Use Handbook (FSH 6509.11g, ch. 40).
12. Facilities maintenance.

## **75 - Salvage Sale Fund Collections and Expenditures**

Manage SSF collections and anticipated expenditures to provide for an ongoing Forest SSF program and to bring the cash balances to 150 percent of the 3-year average annual expenditure needed to meet future salvage sale program objectives.

Each Regional Forester must ensure the development of procedures to determine the amount of money needed to maintain the Region's SSF. Each sale plan requiring the collection or expenditure of SSF funds must account for all preparation, administration, support, and general administration costs by unit volume (hundred cubic feet or CCF), commensurate with the salvage volume. SSF may be collected from timber sales and eligible permits with a Salvage Sale Fund Plan.

### **75.1 - Determining Status of Salvage Sale Fund Balance**

At the beginning of each fiscal year, the Forest Supervisor, the Regional Forester, and Washington Office staff shall review the Salvage Sale Fund (SSF) balance for the Units under their responsibility. The purposes of the annual review are to:

1. Estimate the projected balance of the SSF pool and its adequacy to provide funds for planned Salvage Sale program activities;
2. Identify any excess SSF beyond the sustained Forest program level of 150 percent of the current 3-year average expenditures;
3. Assess the status of excess SSF transferred to or repaid by each Forest for potential reallocation; and
4. Validate budget allocation decisions supporting the costs of the SSF program for both direct and indirect cost components.

The Forest's SSF balance should reflect the actual costs of ensuring a viable Salvage Sale program. Ensure that the Unit's balance does not overstate the needed funds by including funds needed to replace a loan to another unit. Loans should be planned and approved only for receiving Units with the ability to repay the loan.

Following the review, ensure the transfer, to the Regional Forester or the Washington Office respectively, of any funds found to be in excess of 150 percent of the current 3-year average cost of eligible Salvage Sales plus any transfers or loans expected to be repaid within the fiscal year. The 3-year average includes the costs for eligible Salvage Sales met by appropriated funds because of inadequate SSF deposits. If SSF collections exceed the estimated Salvage Sale program needs, reduce the collections to reflect only the needed funds.

## **75.2 - Associated Costs and Collections**

Collect salvage sale funds from timber sales identified as such on SSF Plans (form FS-2400-51). Forests must collect salvage sale funds for the purpose of maintaining a viable salvage sale program (FSH 2409.18, sec. 52.4)). Forests must not collect SSF to fund the salvage sale program on another Forest or to cover a loan made to another Forest that is unable to return the funds.

Base SSF collection calculations on the previous year's actual costs and then adjust according to the salvage sale needs identified for the current year. Use this unit collection rate for each sale collecting SSF. Include the original, approved form FS-2400-51, SSF Plan in the sale folder at Gate 4 or attach the plan to the file copy of the permit (sec. 75.21).

The funds available for financing salvage sale projects are the stumpage paid by the Purchaser per approved SSF Plan. Collect SSF for timber cut during a contract or appraisal period for approved work within the respective sale area boundary. Collect only the amount identified on the SSF Plan and approved by the Line Officer.

There are two cost categories to consider when preparing an SSF Plan; (1) Project Unit Costs, and (2) Program Support Costs.

### **75.21 - SSF Plan Project Unit Costs and Inflation**

Collect sufficient SSF to cover all SSF Plan project costs on the Forest. These direct costs usually occur at the District level and may be readily identified with a particular project or activity on-the-ground. For example, direct costs include the cost of supplies and materials; contracts; contract supervision; equipment use; and training, travel, salary and benefits for project personnel. In addition, unit costs (which are the basis for Cost per Unit, column 7 on the FS 2400-51) shall include all other direct costs on the Forest. Costs include expenses associated with employees working directly with the SSF program and employees involved in coordinating, directing, or overseeing the program.

Adjust unit costs by the expected rate of inflation from the date of preparation of the SSF plan to the planned year of accomplishment.

### **75.22 - Program Support Costs**

#### **75.22a - Program Support Content**

Collect sufficient SSF funds to cover all program support costs. Program support costs are expenses that may not be readily identified with a specific project or activity, and include:

1. Forest support costs. Line management; business administration; public affairs; civil rights; and other common services such as rents, computers, utilities, and communications as described in FSH 1909.13, chapter 40.

2. All Regional Office SSF support costs; and office direct costs such as program management, fuels planner, and the associated costs of those positions.
3. All Washington Office SSF support costs; and direct costs such as program management, fuels planner, and the associated costs of those positions.

The National Collection Rate for program support will be provided annually by the Washington Office and will include the above costs. The rate will be provided by November 15 or earlier each year. This will provide time to prepare new SSF Plans and revisions on open sales.

Forests can collect for the costs not included in the National Collection Rate for program support through a Forest collection rate or include them in the Forest unit cost.

#### **75.22b - Program Support Deposits**

The portion of SSF collections associated with Program Support will be deposited monthly into the National Program Support account in Region 15 Unit 8 via a secondary distribution in the Forest Products Financial System (FPFS).

#### **75.23 - Salvage Sale Fund Surcharge Collections**

Some timber sales may yield insufficient funds to allow a deposit of the funds specified in the sale's SSF Plan. Other SSF Plans may indicate funds more than the amount needed to prepare and administer the sale. To ensure the maintenance of sufficient cash deposits to support an ongoing salvage program, Regional Foresters or Forest Supervisors may authorize additional collections in excess of the projected cost of salvage sale preparation on a Forest. Identify any salvage sale surcharge collections separately on the SSF Plan (FS-2400-51).

1. As part of the SSF Balance Analysis, Forest Supervisors and Regional Foresters shall ensure accurate calculation of the applicable surcharge amounts and prompt forwarding of the results to the field personnel preparing the SSF Plans (FS-2400-51) (sec. 75.42).
  - a. Base the surcharge on the need to reach the SSF goal of 150 percent of the 3-year average annual need as indicated in the Regional objectives and as shown in the Forest or Regional SSF Balance Analysis.
  - b. Use the historical salvage sale program offer volumes and the budget planning information as references.
  - c. Factor in presale investments not recovered because the offered sales did not sell or because product/species values were insufficient to recover sale costs.
  - d. Do not collect a surcharge for the current year's salvage sale program, if the balance analysis shows a surplus
2. If the analysis shows a negative balance between the viable program level and the total funds available or if the analysis predicts cash flow problems during the fiscal year, plan

and collect a surcharge from all sales in the current year salvage sale program for the Region or a Forest. This surcharge may apply to all salvage sale program sales within the Region or Forest if authorized by the Regional Forester or the Forest Supervisor, respectively (sec. 75.23).

- a. Reference the average rate per unit volume calculated in the annual SSF Balance Analysis.
- b. Apply the surcharge to all portions of the sale expending or collecting SSF.
- c. Identify such additional planned collections separately on the appropriate SSF Plan.
- d. In the narrative statement accompanying the SSF Plan, document the assumptions, the rationale for applying a surcharge different from the Forest average, the cross-references to the Balance Analysis, and the calculations associated with the surcharge (sec. 75.23).

#### **75.24 - Minimum Deposits to National Forest Fund**

No minimum deposit to the National Forest Fund is required to be made on qualified Salvage Sales. However, sales having only a salvage component and funded by both appropriated funds and SSF should include a minimum deposit of \$0.25/CCF to the National Forest Fund for the portion of the sale covered by appropriated funds. This includes sales where Knutson-Vandenberg (CWKV) funds have a portion of the deposits from a sale funded only by the Salvage Sale Fund.

Document and monitor sales to ensure a proper, proportional deposit of funds to the U.S. Treasury.

#### **75.3 - Priority of Receipt Distribution**

To determine the amount of collections on each Unit, establish overall priorities for the Salvage Sale Fund (SSF), the Knutson-Vandenberg (CWKV) required reforestation fund, and the CWKV funded non-required activities or CWKV for use outside the sale area. In setting priorities, maintain a viable Salvage Sale program. At the same time, efforts should be made to collect sufficient CWKV funds to ensure funding for required reforestation.

Deposit receipt funds to the CWKV fund and/or the SSF depending on the type of timber sale. Funds from timber sales designated as regular program sales are deposited in the National Forest Fund, CWKV fund, and lastly SSF, only if the sale has a salvage component. Deposits to the SSF are a priority on qualified timber sales designated as salvage or funded totally from the SSF.

Give SSF collections priority to ensure that sufficient funds are available for future SSF needs. If the Unit has fully funded required reforestation, then allocate remaining collections to non-required CWKV or for CWKV use outside the sale area.

## **75.4 - Salvage Sale Fund Plan and Supporting Documentation**

### **75.41 - Developing Salvage Sale Fund Plan**

To document planned SSF collections, complete form FS-2400-51, Salvage Sale Fund Plan, for each sale. Apply the costs on a hundred cubic foot (CCF) unit basis. Include a narrative with each SSF Plan and, as needed, reference specific Forest-wide documents pertaining to the salvage sale fund program (sec. 75.42a). One plan may be prepared for several small sales or permits having relatively uniform qualifying salvage conditions and SSF needs.

1. Use the SSF Plan to assist the unit in projecting collections and expenditures of SSF. The plan must indicate the expected SSF collections and must account for the expected preparation, administration, and support, as well as the potential timber volumes for each sale collecting or expending SSF.
2. Estimate each unit's costs for administering SSF collections and expenditures using the respective administrative unit's actual expense for that type of work, after adjusting for inflation. Calculate costs based on actual experienced data for the various types of planned work listed on the SSF Plan and revise the plans, as necessary, to reflect currently anticipated costs. The costs must reflect the cost analysis performed as part of the annual expenditure review (sec. 76.11).
3. Revise an SSF Plan at any time before the timber sale closes, if needed, to change the volume, unit rate, or national support rate for that sale. Adjust SSF collections if the sale continues to meet the SSF eligibility criteria. In addition, existing timber sales prepared and sold without a SSF Plan, but eligible to use SSF, may be modified to include a SSF Plan any time prior to sale closure.
4. Keep a copy of each approved SSF Plan in the sale folder. The Forest Line Officer authorized to approve the associated NEPA document(s) authorizing the timber sale is responsible for approving the SSF Plan.

### **75.42 - Form FS-2400-51 - Salvage Sale Plan**

Document SSF projects on form FS-2400-51 - Salvage Sale Plan. To create complete, self-supporting project documentation, maintain as one file: a copy of the approved plan and the narrative documents.

The FS-2400-51 is created by the Timber Information Manager (TIM) system and found in the FS Forms SharePoint Site.

#### **75.42a - Narrative Statement**

1. Prepare a narrative statement to accompany each form FS-2400-51.

2. Identify the estimated percentage of salvage material included in the sale and why the SSF may be used on the sale. If the sale name includes the term “salvage,” describe why it is appropriate to use that term (sec 71.1).
3. Document references to specific cost calculation assumptions, permissible additional collection rates used, references to other relevant sale documentation, annual guidance received from the Forest Supervisor or the Regional Forester, and any other information establishing a record for audit purposes.
4. Show cost computations of the salvage sale activities; for example, all costs for supplies, materials, and equipment use, as well as the travel, salary, and benefits of project personnel and contracts. Documentation should address collections for engineering and resource coordination requirements. Note the reference year used to determine the direct costs and base the costs on standard rates or local experience.
5. Include the national program support collection rate in the total calculation.
6. Adjust costs using the Washington Office provided rate of inflation for the projected year of accomplishment. Document the inflation rate used and the estimated year of accomplishing the salvage sale activity. Any revisions to the SSF Plan should use the current year inflation rate.
7. Tie the included documentation to the associated NEPA requirements analysis file. Include the narrative with the SSF Plan in the sale folder. At the time of the annual review of the SSF Plan, review and update the narrative information.

#### **75.42b - Cost Computations**

There are two components of the cost per unit (line 7 of form FS-2400-51). The first component is planned project treatment cost. The second component is adjustments due to projected inflation. Forests also need to collect for Forest-level program management, as well as any Regional Office assessments or costs due to centralized or zone program management or other zone organizations which are incurring costs related to Forest program delivery (see ch. 90 of this handbook). The SSF plan narrative should include the project costs for individual treatment in current dollars and units of work.

Computations of project treatment costs should show, for example, all costs for supplies; materials; equipment use; travel, salary, and benefits of project personnel; and contracts. Base these costs on standard rates, a running 3-year average, or local experience.

#### **75.42c - Inflation Rate**

Adjust estimated project treatment costs by the expected rate of inflation to the estimated year of accomplishment. The Washington Office will provide the inflation rate. Document an estimated year of accomplishment for each treatment. When the SSF plan is revised, use the most recently published inflation rate.

## **75.42d - Program Support Costs**

Document in the narrative the national collection rate for program support used on line 11 of FS-2400-51 and the Forest collection rate used in the cost computations.

## **76 - Expenditures and Program Budgeting**

### **76.1 - Permitted Expenditures**

1. Expend Salvage Sale Funds (SSF) only to the extent allowed by the annual obligation authority.
2. Expenditures may not exceed funds collected to date.
3. For the same type and amount of work, make unit cost charges to the SSF consistent with those charges made to appropriated funds. SSF may be used in conjunction with appropriated funds to prepare, sell, and administer timber sales containing live and dead timber and for design, engineering, and supervision of construction of needed roads for sales funded with SSF.

See Sections 74.1 and 74.2 on this handbook for appropriate and inappropriate uses of SSF, respectively.

4. Clearly document the basis for the distribution of, and equity between, SSF and appropriated funds in the budget planning data and budget planning files. Ensure adequate cross-references to provide a means of tracking the rationale for the expenditure decisions (sec. 74.1). Ensure that all SSF expenditures comply with annual programmatic information prepared by the Forest. To the maximum extent possible, the expenditure of SSF compared to appropriated funds should match, but not exceed, the ratio of the volume of timber qualifying for SSF to the volume of timber funded with appropriated funds.
5. See section 73.12 for the types of silvicultural treatments that can, and cannot, be funded with salvage sale funds.
6. If the purpose and need of the sale excludes salvage but a stand includes a salvage component, use both SSF and appropriated funds in proportion to the amount of each component of the sale. The portion identified as salvage volume would qualify for use of the SSF. Use appropriated funds to fund the remaining sale volume. All deposits to, and expenditures from, the SSF must be covered by an approved SSF Plan (sec. 75.41).

### **76.11 - Salvage Sale Fund Expenditure Review**

Conduct an annual review of planned SSF expenditures during the budget development process. Accumulated expenditure information is helpful to the Forest and Regional Offices in preparing



the annual SSF Balance Analysis. The programmatic expenditure information forms the basis for projecting work needs in the SSF Balance Analysis (sec. 77.2).

The annual SSF expenditure review must include an estimate of planned expenditures for both direct project and program support costs used in the budget planning process to produce enough funds for the next year and out-year salvage sale programs.

Additionally, the review must reflect an analysis of the anticipated project costs and ensure that the salvage sale program and project costs are consistent with similar costs associated with the appropriated portion of the timber sale program.

The SSF expenditure review accounts for the work needs on current sales. When timber sale planners anticipate that the costs will escalate in the future, they must document the rationale for this conclusion and include the higher costs in the analysis. The analysis sequence summarizes the District's SSF needs for planned costs, which are included in the planned program of work, and then summarizes the Forest's planned SSF needs, as identified by the District costs by work activity.

Ultimately, the review shows the cost amounts to be used when updating existing SSF Plans and preparing new SSF Plans. In comparing the results of the expenditure analysis with the current salvage sale program values, the Regions and Forests must analyze the expenditures and collections to determine if an ongoing problem of expenditures exceeding collections exists. If this problem exists, the Line Officers should reduce SSF expenditures, via a program reduction or use of supplemental appropriated funds, to ensure a sustained SSF program. At a minimum, Line Officers must commit to a sustained salvage sale program on each Forest.

File the expenditure review with the annual Forest SSF Balance Analysis.

## **76.2 - Program Budgeting**

### **76.21 - Pooling Salvage Sale Funds**

A Salvage Sale Fund (SSF) pool serves to simplify fund accounting and allows for reasonable overruns and underruns of expenditures for the items listed on the SSF Plans. Regional Foresters may pool all or a percentage of the SSF for all Forests within their respective Region to maintain only one fund, to apportion the funds to each Forest, or to disperse to administrative units covering more than one Forest. The pool serves to simplify fund accounting and to allow for reasonable overruns and underruns of expenditures rather than to promote movement of SSF between Forests. Therefore, do not collect SSF on one Forest with the intent of spending the funds on another Forest. Also, do not collect SSF on one Forest to recover a SSF loan made to another Forest. Regional SSF pools are not intended to fund Forests unable to attain or sustain a viable salvage sale program.

## **76.22 - Loaned Salvage Sale Funds between Forests**

Regional SSF may be loaned from one National Forest to another National Forest identifying a salvage sale need but lacking, in the near term, adequate SSF to fund the sale work. The Regional Forester must authorize the loan and ensure the loan is recorded and repaid. Prior to receipt of the loan, the Forest receiving the loan must create a plan for repaying the loan. The plan must show when, and by what means, the unit expects to repay the SSF loan. Units shall repay loans within 3 years. The Regional Forester may approve in writing an extension of the repayment period to 5 years. The Forest providing the loan must also document the loan transaction. Both Forests must show the loaned funds as a memo item on their respective annual SSF Balance Analyses (sec. 77.2). Regional Foresters must not authorize loans to Forests that are unable to show a legitimate plan to repay the loan. Forests which likely cannot recover the SSF, due to having timber sales with low-value material, should identify other means of funding any salvage sale needs.

## **76.23 - Loaned Salvage Sale Funds between Regions**

The Regional Forester must notify the Washington Office of funds available to be transferred or loaned from the Region. The Washington Office, Director of Forest Management, determines the need for a transfer of SSF between Regions and ensures the loan is recorded and repaid. Prior to receipt of the loan, the Region receiving the loan must create a plan for repaying the loan. The plan must show when, and by what means, the unit expects to repay the SSF loan. Loans shall be repaid within 5 years. The Washington Office, Director of Forest Management may approve in writing an extension of the repayment period to 5 years. Both Regions must show the loaned funds as a memo item on their respective annual SSF Balance Analyses.

## **77 - Accounting Techniques**

### **77.1 - Salvage Sale Fund Plan (FS-2400-51) Review**

Initially, for all timber sales sold, the Forest Supervisor reviews and approves each SSF Plan and the associated narrative. Thereafter, at a minimum, annually, the Forest Supervisor reviews, and revises, as needed, each SSF Plan (FS-2400-51) and the associated narrative for open sales. Update the plan if sale conditions and/or costs have changed. Following each review, the Forest Supervisor shall initial and date the SSF Plan.

In addition, existing timber sales prepared and sold without a SSF Plan, which meet the criteria for using the SSF, may be modified to include a SSF Plan (sec. 75.41). Adjustments to, or preparation of, a SSF Plan must occur before any collections or expenditures of SSF and before sale closure.

At a minimum, consider the following prior to approval of a SSF Plan:

1. Consistency in the amount, type, or cost of salvage sale program activities planned on the sale;

2. Expected collections reflect current conditions and account for planned sale activities;
3. Cost estimates reflect actual current SSF costs on the unit and account for inflation;
4. Use of the correct and current national program support collection rate and inflation rate; and
5. Check for common errors in a plan, such as use of obsolete cost data, mathematical errors, and incorrect sale volumes.

## **77.2 - Salvage Sale Fund Balance Analysis**

### **77.21 - Forest Salvage Sale Fund Balance Analysis**

The Balance Analysis process aggregates the anticipated collections and planned expenditures as provided by the Districts to determine the Forest salvage sale program for the current year and subsequent years. This review should include the Forest/Vegetation Management and Budget staffs, as well as any needed coordination with the ASC.

1. Project the balance of the SSF account on a Forest as of September 30 to determine the availability of sufficient collections to perform the planned work. The Balance Analysis should consider all SSF Plans (form FS-2400-51) and all anticipated expenditures (sec. 76.1). Use form FS-2400-52, SSF Balance Analysis, to document the annual Balance Analysis. Review the analysis and determine if additional action is needed. Items to consider in this analysis include: the Regional activity projections, the available fund balance, the anticipated collections on existing sales under contract, the status of loaned SSF, the permissible collection limits, and the estimated program level needs for the Forest's SSF account.
2. Coordinate this analysis with the annual K-V fund balance review, the annual Brush Disposal fund review, and reviews of any other trust fund balances. Adjustments between the SSF and K-V accounts must not exceed permissible collections on an individual sale basis. Any adjustments must occur in current fiscal year collections and prior to sale closure.
3. The balance analysis should reflect anticipated costs and be consistent with costs associated with the appropriated portion of the timber sale program.
4. The Forest Supervisor certifies the accuracy of the analysis; identifies the amount, if any, that may be transferred to the Regional Office or additional funds to be retained above the 3-year average annual need; and submits the analysis to the Regional Forester.
5. Use the results of the analysis to determine whether:
  - a. The funding adequately meets the continued needs for the salvage sale program,
  - b. The accounting and monitoring of transfers and loans occurred, and

- c. The correct use of permissible salvage sale surcharge authority occurred.
6. Document any loaned funds expected to be returned to the unit in the Balance Analysis.
7. Revise SSF Plans, as needed, to note anticipated costs addressed in the annual expenditure review.
8. Utilize the results of the SSF Balance Analysis to determine whether to collect a surcharge from sales eligible for SSF in the next year.
9. Instances may exist, such as an unusually large fire season or insect epidemic in the previous year, where the unit may need to exceed the sustained level of 150 percent of the planned program; when this need occurs, provide a justification for temporarily adjusting the sustained level. Include the justification and request to retain more than the sustained level of 150 percent of the planned program with the annual Balance Analysis submission to the Regional Office for approval.

As part of the required annual SSF Balance Analysis, ensure that the expected collections for the activities of proposed or existing sales are considered in the analysis and forward a summary of the annual SSF Balance Analysis, including needs, to the Regional Forester. Use form FS-2400-52, SSF Balance Analysis, to document and summarize this information (sec. 77.3). Form FS-2400-52 is available in electronic format and may be retrieved from the Forest Service forms SharePoint site.

#### **77.22 - Regional Salvage Sale Fund Balance Analysis**

1. The Regional Forest Management and Budget staffs, in coordination with the ASC, shall review each Forest's SSF Balance Analysis and supporting documentation (sec. 77.21). The same staffs shall determine if the reported financial and unit cost information is reasonable, accurate, and consistent within the Region.
2. Follow up with respective Forests to address inconsistencies. Pursue additional action as needed.
3. The Regional Office staff responsible for the salvage sale program shall review and determine if sufficient funds exist within the Region to perform the planned work. Retain the supporting documentation forwarded with each unit's Balance Analysis information.
4. The Regional SSF Balance Analysis reflects an accumulation of the Forests' balance analyses.
  - a. Base the analysis on the submissions received from the Forests. Include an estimate of the total amount needed for Regional support of the next fiscal year's SSF program.
  - b. Use form FS-2400-74, Regional SSF Balance Analysis, to complete the Region's annual Balance Analysis.

- c. Follow the provided instructions to prepare the Regional SSF Balance Analysis.
5. Coordinate this analysis with the annual review of other trust fund balances.
6. As well as accumulating the Forest information, consider the following in this analysis: the Regional activity projections, the available fund balance, the anticipated collections on existing sales under contract, the status of SSF funds transferred between Forests, the permissible collection limits, and the estimated program level needs for the Region's SSF account.
7. Instances may exist, such as an unusually large fire season or insect epidemic in the previous year, where the Region may need to exceed the sustained level of 150 percent of the planned program; when this need occurs, provide a justification for temporarily adjusting the sustained level. Include the justification and request to retain more than the sustained level of 150 percent of the planned program with the annual Balance Analysis form submission to the Washington Office for approval.
8. Submit the Regional SSF Balance Analysis to the Washington Office, Forest Management staff, by the date set forth in the year end reporting letter by the Washington Office. Include a cover letter noting the date of the Regional review, participants, findings, and any excess SSF funds resulting from the review. Also, discuss any transfers made between Forests and the plan and corresponding time frame for repaying the transferred amount.

#### **77.23 - National Salvage Sale Fund Balance Analysis**

1. The Washington Office, Forest Management and Budget staffs, in coordination with the ASC Budget and Finance, shall accumulate and summarize the Regions' SSF Balance Analyses and supporting documentation. The same staffs shall determine if the reported financial and unit cost information is reasonable, accurate, and consistent nationally.
2. The Washington Office, Forest Management staff shall review and determine if funds are sufficient nationally to perform the planned work. Retain the supporting documentation provided with this information.
3. The national analysis reflects an accumulation of the Regional balance analyses and includes Washington Office needs. Use the same procedure as used for the Regional SSF Balance Analysis (sec. 77.22) to prepare the National SSF Balance Analysis.
  - a. Base the analysis on the submissions received from the Regions including the total amount of funds needed for national support of the next fiscal year's SSF program.
  - b. Use form FS-2400-74, Regional SSF Balance Analysis, to complete the annual Agency Balance Analysis and use the same instructions as used to prepare the Regional Balance Analysis (sec. 77.22).

- c. Coordinate this analysis with the annual K-V fund balance review, the annual Brush Disposal fund review, and reviews of any other trust fund balances.
- d. As with the Forest and Regional reviews, instances may exist, such as an unusually large fire season or insect epidemic in the previous year, where the national program may need to exceed the sustained level of 150 percent of the planned program. Provide justification for temporarily adjusting the sustained level and include the justification with the annual Balance Analysis.
- e. Consider the following in the national analysis: the national activity projections, the available fund balance, the anticipated collections by Region for existing sales under contract, the status of SSF money transferred between Regions, the permissible collection limits, and the estimated program support level needs for the SSF account.

Use the results of this review to identify any excess SSF funds as well as the potential need to transfer SSF funds between Regions.

### **77.3 - Transfers of Excess Salvage Sale Funds**

Exhibit 01 summarizes the process for transferring excess SSF from Forests to the Region and then to the Washington Office based on the annual Balance Analysis.

#### **1. Field.**

Regional Foresters are responsible for ensuring the transfer of SSF funds in excess of expected needs to the Washington Office, Strategic Planning, Budget and Accountability staff, by March 15, or as otherwise directed. Transfers to the Washington Office should include any funds found to be in excess of 150 percent of the latest 3-year average cost of eligible salvage sales, including transferred SSF funds as shown on form FS-2400-74, Regional SSF Balance Analysis (sec. 77.22). The 3-year average figure must include eligible costs met from appropriated funds due to inadequate salvage sale deposits.

The Regional Office would determine excess; coordinate with Washington Office, Forest Management and SPBA to move funds. SPBA will then coordinate with CFO Staffs to complete the movement of funds. If it's determined that excess funds still exist in the Region, the Washington Office, Budget and Forest Management staffs would determine if reallocations to other Regions is necessary and work with the ASC CFO staffs to process the appropriate funding adjustments. SPBA, Forest Management, and CFO staffs would also coordinate the return of any excess balances to Treasury.

#### **2. Washington Office.**

- a. The Washington Office, Director of Forest Management, and the Director Strategic Planning, Budget and Accountability, are responsible for ensuring review of the Regional reports to identify any excess Regional balances.

**Forest Service Handbook 2409.19 – Renewable Resources Handbook**

**Chapter 70 - Salvage Sale Fund Collections Costs and Accounting**

**Amendment:** 2409.19-2022-8

**Effective date:** April 26, 2022

- b. The Washington Office, Forest Management, and Strategic Planning, Budget and Accountability staffs shall determine the need to transfer any excess funds from expanded budget line item SSSS to the U.S. Treasury and shall ensure the transfer of funds is begun no later than June 30 of each year.

**Forest Service Handbook 2409.19 – Renewable Resources Handbook**  
**Chapter 70 - Salvage Sale Fund Collections Costs and Accounting**  
**Amendment: 2409.19-2022-8**  
**Effective date: April 26, 2022**  
**77.3 - Exhibit 01**

**Excess Salvage Sale Fund Transfer Process**

