

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

**Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery**

Amendment: 2709.11-2023-2

Effective date: October 4, 2023

Duration: This amendment is effective until superseded or removed.

Approved by: Troy Heithecker, Associate Deputy Chief, National Forest System

Date approved: October 3, 2023

Responsible Staff: Lands, Minerals and Geology

Last Change:

Superseded Document(s): Amendment 2709.11-2011-1, January 3, 2011, 41 pages

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

Chapter 20: Throughout the chapter, changes codes and captions to accommodate issuance of new policy and direction. Sets forth direction for implementing the special uses cost recovery regulation (36 CFR 251.58), which was published in the Federal Register on February 21, 2006 (71 FR 8892).

Section 20.3: Updates policy for cost recovery fees.

Section 20.4: Updates responsibilities throughout section.

Section 20.42: Changes section title from “Washington Office Director of Lands” to “Washington Office Director of Lands, Minerals, and Geology” and sets forth direction.

Section 20.43: Change section title from “Albuquerque Service Center – Budget & Finance” to “Reimbursable and Advance Collections Agreements (RACA)” and removes references throughout.

Section 20.6(3): Removes direction FSM 2770.

Section 20.5: Updates definitions throughout section.

Forest Service Handbook 2709.11 – Special Uses Handbook

Chapter 20 – Cost Recovery

Amendment: 2709.11-2023-2

Effective date: October 4, 2023

Section 21: Removes direction on assessing processing fees for application before March 23, 2006.

Section 21.1: Changes “category 1 through 4” to “minor categories 1 through 4” updates section in its entirety.

Section 23.3: Updates Forest Service Website information.

Section 23.42: Recodes section number of Master Agreements (Category 5) from 23.5 to 23.42.

Section 23.5: Recodes section number of Waiver of Cost Recover Fees from 23.6 to 23.5.

Section 24: Updates website information.

Section 24.2 Updates website information.

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

Table of Contents

20.1 - Authority	5
20.2 - Objectives	6
20.3 - Policy	6
20.4 - Responsibility.....	7
20.41 - Associate Deputy Chief for the National Forest System	7
20.42 - Washington Office Director of Lands and Realty Management	7
20.43 – RACA	8
20.44 - Regional Foresters	8
20.45 - Regional Coordinators	8
20.46 - Forest and Grassland Supervisors.....	9
20.47 - District Rangers	9
20.48 - Case Managers	10
20.5 - Definitions	10
20.6 - Uses and Activities Not Subject to Cost Recovery.....	11
21 - Uses and Activities Subject to Cost Recovery	12
21.1 - Agency Costs Qualifying for Cost Recovery	12
21.11 - Processing Fees.....	14
21.11a - Multiple Applications Other Than Those Covered by a Category 5 Master Cost Recovery Agreement	15
21.11b - Applications Submitted for Campground Concessions	16
21.11c - Notification of Acceptance of Applications.....	17
21.11d - Customer Service Standards for Processing Applications	17
21.12 - Monitoring Fees.....	18
22 - Informing Proponents of Cost Recovery Requirements	19
23 - Determining Cost Recovery Fee Categories and Estimated Fee Amounts and Assessing Cost Recovery Fees.....	20
23.1 - Uses Exempt from Cost Recovery Fees.....	21
23.2 - Minor Categories (Categories 1 through 4 and Sometimes Category 5)	23
23.3 - Cost Recovery Fee Schedules.....	26
23.4 - Major Categories (Category 6 and Sometimes Category 5)	26
23.41 - Major Agreements (Category 6)	26
23.42 – Master Agreements (Category 5).....	28
23.5 – Waiver of Cost Recovery Fees	29
24 - Documenting Fee Category Determinations and Estimated Fee Amounts	29
24.1 - Documenting Fee Determinations for Minor Categories 1 Through 4	30
24.2 - Documenting Estimated Fees for Categories 5 and 6.....	30
25 – Revision to Processing and Monitoring Fees	34
25.1 - Revisions to Minor Category Processing Fees.....	34
25.2 - Revisions to Major Category Fee Determinations.....	35
26 – Budgeting, Billing, Payment, Spending and Reconciliation of Cost Recovery Fees	35
27 - Disputes	39
27.1 - Processing Fee Disputes	39

Forest Service Handbook 2709.11 – Special Uses Handbook

Chapter 20 – Cost Recovery

Amendment: 2709.11-2023-2

Effective date: October 4, 2023

27.2 - Monitoring Fee Disputes	39
27.3 - Dispute Resolution	40
27.4 - Applicability of Administrative Appeal.....	40
28 - Accountability.....	40
28.1 - Training.....	40
28.2 - Oversight	40
28.3 - Reporting.....	41

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

This chapter provides direction for establishing, collecting, and administering recovery of costs associated with processing applications for special use authorizations and monitoring compliance with special use authorizations. Special uses cost recovery fees apply only to special use applications processed and special use authorizations issued pursuant to Title 36, Code of Federal Regulations, Part 251—Land Uses, Subpart B—Special Uses (36 CFR part 251, subpart B). See Title 36, Code of Federal Regulations, Section 251.50 (36 CFR 251.50) for the scope of this regulation. Activities covered by other regulations, including sharing use of roads Title 36, Code of Federal Regulations, Section 212.9—Principles for sharing use of Roads (36 CFR 212.9); grazing and livestock use Title 36, Code of Federal Regulations, Part 222—Range Management (36 CFR part 222); sale and disposal of timber and special forest products use Title 36, Code of Federal Regulations, Part 223—Sale and Disposal of National Forest System Timber (36 CFR part 223); and operations conducted under the United States mining laws use Title 36, Code of Federal Regulations, Part 228—Minerals (36 CFR part 228), are expressly excluded from the special use rules authorized by other agencies, such as uses authorized under U.S. Department of Transportation easements (FSM 2731), are also excluded. The Special Uses Cost Recovery Program is distinct from other resource or administrative cost recovery, including cost recovery associated with road use, or fees charged for the use and occupancy of National Forest System (NFS) lands.

20.1 - Authority

The following statutes and regulations provide authority for cost recovery:

1. The Federal Land Policy and Management Act (FLPMA) Title 43, United States Code, section 1764(g) (43 U.S.C. 1764(g)). Authorizes agencies to require applicants and holders to reimburse the United States for all reasonable costs incurred in processing their applications and monitoring their authorizations for a right-of-way.
2. The Independent Offices Appropriations Act (IOAA) of 1952 Title 31, United States Code, section 9701 (31 U.S.C. 9701). Directs Federal agencies to recover from recipients the costs incurred in providing them with services or things of value. The charges for these costs may be established by regulation. Section 6(a)(1) of the Office of Management and Budget's Circular No. A-25 provides administrative direction to Federal agencies for consistent implementation of the cost recovery authority in the IOAA for activities that convey specific benefits or services beyond those accruing to the public.
3. The Mineral Leasing Act (MLA) Title 30, United States Code, section 185(i) (30 U.S.C. 185(i)). Requires that applicants and holders reimburse the United States for actual administrative and other costs incurred in processing their applications for a right-of-way and monitoring construction, operation, maintenance, and termination of any pipeline and related facilities.
4. The National Historic Preservation Act (NHPA) Title 16, United States Code, section 470(h-2) (16 U.S.C. 470(h-2)). Allows Federal agencies to require prospective permit

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

holders to pay the Federal Government's costs of preservation activities as a condition of issuance of a license or permit.

5. Section 1 of the Act of May 26, 2000 (Commercial Filming Act) Title 16, United States Code, section 4601(6d) (16 U.S.C. 4601(6d)). Authorizes the Forest Service to recover any costs incurred as a result of commercial filming activities or similar projects, including administrative and personnel costs.
6. Section 331 of the Interior and Related Agencies Appropriations Act of November 29, 1999 Public Law 106-113, 113 Statutes 1501A-196 (Pub. L. No. 106-113, 113 Stat. 1501A-196), Title 16, United States Code, section 497e. Authorizes the Forest Service to retain and spend cost recovery fees it collects for processing special use applications and monitoring compliance with special use authorizations under section 28(l) of the MLA; section 504(g) of FLPMA; Title V of the IOAA; and section 110(g) of the NHPA.
7. Forest Service regulations at Title 36, Code of Federal Regulations, section 251.58 (36 CFR 251.58). Implements the foregoing statutory authorities.

20.2 - Objectives

The objectives of cost recovery are:

1. To reduce the cost to the general public for the services of processing applications and monitoring authorizations sought or held by individuals or entities;
2. To provide equitable, consistent, and timely service to applicants and holders who pay for application processing or authorization monitoring;
3. To reduce average processing time for special use applications; and
4. To provide effective monitoring of special use authorizations.

20.3 - Policy

1. The Forest Service shall assess fees to recover the Agency's processing costs for special use applications and monitoring costs for special use authorizations, subject to the requirements and limitations set out at 36 CFR 251.58.
2. Authorized Officers, program managers, and special use permit administrators shall effectively utilize the cost recovery program to improve customer service and reduce the use of appropriated funds for processing applications and monitoring costs.
3. Authorized Officers shall collect, without delay, sufficient information from an applicant or a holder to estimate the number of hours to determine the Agency costs in processing applications and monitoring.

Forest Service Handbook 2709.11 – Special Uses Handbook

Chapter 20 – Cost Recovery

Amendment: 2709.11-2023-2

Effective date: October 4, 2023

4. Special uses staff shall enter the estimated or actual time or costs required to process applications and monitor authorizations into the I-WEB-Special Uses Database System (SUDS) which enables analysis of the cost recovery program and submission of reports to Congress.
5. Authorized Officers may waive cost recovery fees for easements issued to a public road agency under the National Forest Roads and Trails Act (36 CFR 251.50 and FSM 2732.3), provided the public road agency qualifies for a waiver under the criteria in section 23.6.
6. The Forest Service incurs processing costs in connection with an action of another agency, such as for the Federal Energy Regulation Commission's (FERC's) pipeline pre-filing or hydropower licensing process, Authorized Officers will consider initiation of the other agency's action as initiation of the Forest Service's application and cost recovery process.
7. Reductions in processing or monitoring fees may be appropriate for costs incurred in processing major category applications submitted under authorities other than the MLA or in monitoring major category authorizations issued under authorities other than the MLA. Reductions in costs under authorities other than the MLA (sec. 23.41, para. 1) are distinguishable from cost recovery fee exemptions (sec. 23.1) and waivers (sec. 23.6).

20.4 - Responsibility

20.41 - Associate Deputy Chief for the National Forest System

The Associate Deputy Chief for the National Forest System is responsible for cost recovery dispute resolution when the Authorized Officer is the Regional Forester.

20.42 - Washington Office Director of Lands and Realty Management

The Washington Office Director of Lands and Realty Management is responsible for administering the Special Uses Cost Recovery Program for both land and recreation special uses, including coordination with the United States Department of the Interior, Bureau of Land Management (BLM), to:

1. Maintain consistency between the BLM and the Forest Service;
2. Annually update the cost recovery fee schedules;
3. Submit reports to Congress on the Cost Recovery Program; and
4. Maintain agency directives.

20.43 – RACA

For major category cost recovery case files established before October 1, 2019, Reimbursable and Advance Collections Agreements (RACA) is responsible for:

1. Establishing and issuing major category cost recovery job codes upon receipt of new cost recovery agreements;
2. Issuing advance bills for major category cost recovery and monitoring of collections;
3. Performing accounting adjustments for major category-related activities;
4. Processing refunds of excess collections upon reconciliation or completion of projects; and
5. Coordinating with Budget Execution staff to make the changes to a unit's spending authority when category 5 and 6 projects bills are paid.

20.44 - Regional Foresters

Regional Foresters are responsible for:

1. Resolution of cost recovery disputes when the Authorized Officer is the Forest or Grassland Supervisor;
2. Approving determinations of cost recovery fee categories and estimated fee amounts, cost estimates for those determinations, waivers of cost recovery fees, and category 5 master and category 6 major category agreements; and
3. Meeting the customer service standards for processing applications.

20.45 - Regional Coordinators

Regional Special Use coordinators are responsible for:

1. Providing information regarding the Cost Recovery Program to the Regional Forester and staff;
2. Reviewing selected cost recovery estimations, such as those that may involve a high dollar value, complexity of issues, or as otherwise determined by the Regional Forester;
3. Providing cost recovery training for Authorized Officers and special uses and related resource staff; and
4. Serving as an advisor to the Authorized Officer's supervisor regarding with resolution of cost recovery disputes.

20.46 - Forest and Grassland Supervisors

Forest and Grassland Supervisors are responsible for:

1. Approving determinations of cost recovery fee categories and estimated fee amounts, cost estimates for those determinations, waivers of cost recovery fees, and category 5 master and category 6 major cost recovery agreements; and
2. For major category case files established after September 30, 2019:
 - a. Establishing major category cost recovery job codes upon receipt of new cost recovery agreements;
 - b. Issuing advance bills for major category cost recovery fees and monitoring fee collections;
 - c. Performing accounting adjustments for major category-related activities;
 - d. Processing refunds of excess collections upon reconciliation or completion of projects; and
 - e. Coordinating with Budget Execution staff to make the changes to a unit's spending authority when bills are paid for major category projects; and
3. Meeting the customer service standards for processing applications; and
4. Resolution of cost recovery disputes when the Authorized Officer is the District Ranger.

20.47 - District Rangers

When serving as the Authorized Officer, District Rangers are responsible for:

1. Approving determinations of cost recovery fee categories and estimated fee amounts, cost estimates for those determinations, waivers of cost recovery fees, and category 5 master and category 6 major cost recovery agreements;
2. For major category case files established after September 30, 2019:
 - a. Establishing major category cost recovery job codes upon receipt of new cost recovery agreements;
 - b. Issuing advance bills for major category cost recovery fees and monitoring fee collections;
 - c. Performing accounting adjustments for major category-related activities;

- d. Processing refunds of excess collections upon reconciliation or completion of projects; and
 - e. Coordinating with Budget Execution staff to make the changes to a unit's spending authority when bills are paid for major category projects; and
3. Meeting the customer service standards in processing applications.

20.48 - Case Managers

Case Managers (ch. 10, sec. 10.5) are responsible for:

1. Preparing determinations within cost recovery fee categories and estimated fees and cost estimates for recommendations regarding requests for waiver of cost recovery fees, and category 5 master and category 6 major cost recovery agreements for appropriate review and approval by the Authorized Officer;
2. Ensuring complete and accurate cost recovery data entry into SUDS, including determinations of cost recovery fee categories and estimated fee amounts, cost estimates for those determinations, information regarding compliance with the customer service standards in processing applications, and billing and financial information; and
3. Communicating as needed with the Financial Management staff, both locally and with RACA, regarding implementation of the Cost Recovery Program.

20.5 - Definitions

Additional pertinent definitions are found in Title 36, Code of Federal Regulations, section 251.51--Definitions, FSM 2705, and in, chapter 10, section 10.5.

Cost. An expense incurred by the Forest Service in processing a special use application or monitoring a special use authorization.

Cost Estimate. A component of a cost recovery agreement that enumerates, by type, the estimated costs to process the special use applications and monitor the special use authorizations covered by the agreement.

Cost Recovery. The assessment and collection of fees from applicants for and holders of special use authorizations to cover administrative costs incurred by the Forest Service in processing their special use applications and monitoring their special use authorizations for compliance with their terms and conditions. Cost recovery fees are not land use fees, which are charged for the use and occupancy of NFS lands.

Cost Recovery Agreement. An agreement that documents processing and monitoring fees for applications and authorizations that falls into category 5 or category 6.

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

Major Category. A category for special use applications and authorizations that require more than 50 hours of agency time to process or monitor.

Minor Category. A category for special use applications and authorizations that require 50 hours or less to process or monitor.

Monitoring. Agency actions to ensure compliance with the terms and conditions of the authorization involving construction, reconstruction, operation, maintenance, and termination of the facilities within the authorized area, and protecting and rehabilitating affected lands. The actions for billing, maintenance of case files, annual performance evaluations, or scheduled inspections to determine compliance generally with the terms and conditions of an authorization are excluded.

Processing. Agency actions regarding an application that occur after the agency accepts a proposal as a special use application, after the agency solicits special use applications, or when a special use application is submitted for modification of an existing use.

Recreation Special Use. A special use in the class of uses enumerated in FSM 2721 and designated by use codes 100 to 199.

Reasonable Costs. See reduction in costs in section 20.3.

Scope of Work. A component of a category 5 and category 6 cost recovery agreement that specifies the tasks to be completed, the schedule, responsibilities, and estimated costs.

Self-Monitoring. Monitoring performed by the holder of a special use authorization. (sec. 21.12)

Third-Party Monitoring. Monitoring that is performed by a party other than the holder of a special use authorization or the Forest Service under a contract with the holder (sec. 21.12).

20.6 - Uses and Activities Not Subject to Cost Recovery

1. **Activities Authorized Under Other Forest Service Regulations.** Cost recovery does not apply to any activities on National Forest System lands authorized under Forest Service regulations other than 36 CFR part 251, subpart B. Therefore, cost recovery does not apply to activities authorized by regulations governing sharing use of roads (36 CFR 212.9), grazing and livestock use (36 CFR part 222), sale and disposal of timber and special forest products (36 CFR part 223), and minerals (36 CFR part 228).
2. **Activities Authorized Under a Grant or Cooperative Agreement (FSM 1580 and FSH 1509.11).** Activities that are authorized under a grant or cooperative agreement are not special uses and are therefore not subject to cost recovery.
3. **Activities Authorized on NFS Lands by Other Federal Agencies.** Uses authorized by other Federal agencies, such as uses authorized by easements issued by the U.S.

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

Department of Transportation, Federal Highway Administration (FSM 2731), are not subject to cost recovery.

4. **Special Uses that are Exempt from Cost Recovery.** Section 23.1 lists the special uses that are exempt from cost recovery under 36 CFR 251.58(g).

21 - Uses and Activities Subject to Cost Recovery

Cost recovery applies only to special use applications submitted and special use authorizations issued under 36 CFR part 251, subpart B. Activities authorized by other Forest Service regulations are not subject to cost recovery (sec. 20.6, para. 1). Except when the use or activity is exempt from cost recovery (sec. 23.1) or cost recovery is waived (sec. 23.6), assess cost recovery fees for qualifying agency costs before taking any of the following actions:

1. Monitoring of issued or amended authorizations.
2. Processing formally accepted applications for:
 - a. A new special use;
 - b. An amendment or formal approval of activities or facilities as identified in an existing special use authorization, operating plan, or master development plan; or
 - c. Issuance of a new special use authorization due to termination of an existing special use authorization, including termination caused by expiration, a change in ownership or control of the authorized facilities, or a change in ownership or control of the holder of the authorization, even if the holder's existing authorization does not require submission of an application for a new authorization.
3. Agency actions to amend a special use authorization.

21.1 - Agency Costs Qualifying for Cost Recovery

The Agency costs that may be included in determining processing and monitoring fees are enumerated in section 21.11 and 21.12, respectively.

For minor categories 1 through 4, (sec. 23.2), processing and monitoring fees are determined from the applicable fee schedule based upon the estimated hours to complete the required work. The fees established for categories 1 through 4 include salary and other direct costs (for example, vehicles, contracted costs, and travel). No costs should be added to the fees in the processing and monitoring fee schedules. Costs for agency personnel in categories 5 and 6 are based on the rates used in the agencies budgeting WorkPlan System.

Processing and monitoring fees may be based on:

1. **Forest Service costs.**
2. **Other Federal agency costs**, when the Forest Service is responsible for recovering those costs under an interagency agreement.
3. **Leave and training costs:**
 - a. That are incurred for an employee who is hired to work full time on a specific project and is assigned to that involves processing major category 5 and category 6 applications or monitoring major category 5 and category 6 authorizations; and
 - b. That arise in connection with performing that work.

Include all eligible leave and training costs in the category 5 master or category 6 major cost recovery agreement. To be recoverable, eligible leave must be used before the account for the project is closed.

4. **Indirect Costs.**
 - a. **Inapplicability of Exemption for Cooperative Activities.** Processing special use applications and monitoring special use authorizations are not cooperative activities, but rather activities providing an identifiable service to the requesting entity. Therefore, the indirect cost exemption for cooperative activities does not apply to processing applications and monitoring authorizations.
 - b. **Inclusion of Indirect Costs in Flat Fees.** Minor category cost recovery fees are determined by a flat fee schedule. Therefore, no indirect costs are added to these projects.
 - c. **Major Category Case Files Established Before October 1, 2019.** For major category case files established before October 1, 2019, that are being supported by RACA, determine indirect costs using the agency's overhead assessment rate for the applicable fiscal year.
 - d. **Major Category Case Files Established After September 30, 2019.** For major category case files established after September 30, 2019, include in the fee calculation the costs of establishing a job code upon receipt of the cost recovery agreement; issuing an advance bill for cost recovery fees; monitoring fee collections; performing accounting adjustments for major category-related activities; processing refunds of excess collections upon reconciliation or completion of projects; and coordinating with Budget Execution staff to make the changes to a unit's spending authority when bills are paid for major category projects.

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

Costs that are incurred in the special uses program that are not subject to cost recovery fees under 36 CFR 251.58 and chapter 20, may not be recovered pursuant to a cooperative agreement and must be paid for from appropriated funds.

21.11 - Processing Fees

1. **Basis of Processing Fees.** Base the processing fee for an application or agency action to amend an authorization only on costs necessary for processing that application or taking action to amend the authorization.
2. **Necessary Costs.** Costs are necessary for processing an application or taking action to amend an authorization if:
 - a. But for the application or action to amend, the costs would not have been incurred; and
 - b. The costs cover only those activities without which the application cannot be processed or the action to amend cannot be taken.
3. **Examples of Necessary Costs.** Some common examples of necessary processing costs include:
 - a. Meeting with an applicant to discuss questions or concerns regarding unresolved issues such as mitigation strategy, defining the permit area, and completing the application;
 - b. Reviewing an accepted application for completeness and accuracy;
 - c. Conducting environmental analyses of the effects of the proposed use;
 - d. Determining if circumstances have changed to warrant additional environmental analysis for existing uses;
 - e. Reviewing applicant-generated environmental documents;
 - f. Conducting necessary site visits;
 - g. Evaluating an applicant's technical and financial qualifications;
 - h. Preparing documentation of analyses, decisions, and authorizations or amendments for each application, including establishing a case file;
 - i. Making a decision on whether to issue the authorization; and
 - j. Determining the land use fee for the authorization.

4. **Unnecessary Programmatic Costs.** Do not include in processing fees the costs for studies for programmatic planning or analysis or other agency management objectives, unless they are necessary for the application being processed or agency action to amend an authorization, provided that outfitting and guiding needs assessments and capacity analyses necessary to convert eligible temporary use permits to priority use permits will not be subject to cost recovery if conversion was requested by September 2009. For example, do not include in processing fees the costs for capacity studies, use allocation decisions, transportation plans, right-of-way corridor planning, communication site designations, outfitting and guiding needs assessments, studies needed for a land management plan amendment or revision, and biological studies that address species viability, unless they are necessary for the application being processed or agency action to amend an authorization.
5. **Necessary Programmatic Costs.** Include in processing fees the proportional costs for programmatic planning or analysis that is necessary for an application or agency action to amend an authorization.
6. **Minimizing Processing Fees.** Processing work conducted by an applicant, or a third party contracted by the applicant minimizes Forest Service costs, thereby reducing the processing fee for the application. For example, if an applicant or a contractor of the applicant conducts studies or surveys and provides environmental documentation consistent with Forest Service National Environmental Policy Act (NEPA) procedures (FSH 1909.15) or provides other information necessary for processing the application, the agency's processing costs are reduced. Third-party contractors for an environmental impact statement must be selected by the lead agency, or if appropriate, a cooperating agency (FSH 1909.15, 12.24).
7. **Withdrawal of Applications.** The applicant is responsible for all application costs incurred by the Forest Service in processing the application up to and including the date the agency denies the application or receives written notice of the applicant's withdrawal. There is no refund, nor are there additional fees, for a withdrawn application in category 1, 2, 3, or 4. When an applicant withdraws a major category 5 or category 6 application, the applicant is also responsible for costs subsequently incurred by the Forest Service in terminating consideration of the application.

21.11a - Multiple Applications Other Than Those Covered by a Category 5 Master Cost Recovery Agreement

1. **Unsolicited Applications When There Is No Competitive Interest.** A prospectus is not required in this situation. However, costs incurred in processing more than one of these applications (such as the cost of environmental analysis or printing an environmental impact statement that relates to all the applications) must be paid in equal shares or on a prorated basis, as deemed appropriate by the Authorized Officer, by each applicant.

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

2. **Unsolicited Proposals Where Competitive Interest Exists.** When there are one or more unsolicited proposals and the Authorized Officer determines that competitive interest exists, issue a prospectus (FSM 2712). All proposals accepted pursuant to that solicitation shall be processed as applications. All applicants must pay in equal or proportionate shares, as deemed appropriate by the Authorized Officer, for the costs of environmental analyses that are necessary for their applications and that are conducted prior to issuance of the prospectus. In addition, all applicants must pay in equal or proportionate shares, as deemed appropriate by the Authorized Officer, for other processing costs associated with the solicitation, including costs incurred in printing and mailing the prospectus, having parties other than the Forest Service review and evaluate applications, establishing a case file, recording data, and conducting financial reviews. Selected applicants shall pay additional processing fees for any post-selection environmental analysis required in connection with their applications and any authorization preparation costs.
3. **Agency Solicitations.** When the Forest Service solicits applications through the issuance of a prospectus on its own initiative, rather than in response to an unsolicited proposal or proposals, the Agency is responsible for the cost of any environmental analyses undertaken prior to issuance of the prospectus. In every other respect, assess processing fees for Agency solicitations as described for unsolicited proposals where competitive interest exists (sec. 21.11a, para. 2).
4. **Recreation Special Uses.** Processing fees apply to recreation special use applications submitted in response to a prospectus or unsolicited multiple applications that individually would be exempt from cost recovery fees (sec. 23.1, para. 6) when the Forest Service requires more than 50 hours to process them collectively (36 CFR 251.58(c)(3)(i)(iii)).

21.11b - Applications Submitted for Campground Concessions

1. **Initial Processing Fee Charged to All Applicants.** Collectively, applications submitted in response to a campground concession prospectus involve more than 50 hours to process and are subject to a category 6 processing fee. The Forest Service has conducted a programmatic reasonableness determination for the campground concession program per section 23.41, paragraph 1. To encourage competition, especially for smaller concessions, the initial processing fee submitted with an application in response to a prospectus for a campground concession should be low enough to encourage applications. Additionally, for fairness, the initial processing fee should be disclosed in the prospectus and should be the same for all applicants. Furthermore, since there are many national businesses in the campground concession industry, it is important to be consistent nationally in determining initial processing fees for campground concession applications. To accomplish these objectives with the least administrative cost to the Agency, apply the following schedule:

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

Average Estimated Annual Revenue Over 5 Years (in \$)	Initial Processing Fee (in \$)
Under 100,000	none
100,000 – 200,000	100
200,000 – 400,000	200
400,000 – 600,000	300
600,000 – 800,000	400
800,000 – 1,000,000	500
	Add 100 for every \$200,000 increase in revenue

Require Applicants for campground concessions to submit the initial processing fee with their applications. The standard prospectus for campground concessions, form FS-2700-34, contains a statement of applicants' responsibility for cost recovery.

- 2. Subsequent Processing Fee Charged to the Selected Applicant.** Enter into a category 6 major cost recovery agreement (sec. 24.2) with the selected applicant to recover the costs of preparing and issuing a campground concession permit, including additional environmental analysis for that purpose, and conducting or updating a financial ability determination. If a financial ability determination has been completed for the applicant within the last 12 months, the cost recovery agreement will cover the cost to update the financial ability determination to reflect the change that this selection may have on the applicant's financial ability. These costs are incurred solely for the benefit of the selected applicant and thus are assessed only to the selected applicant.

21.11c - Notification of Acceptance of Applications

When a special use application is accepted, provide written notice to the applicant of the acceptance.

21.11d - Customer Service Standards for Processing Applications

The following customer service standards must be met in processing applications that are subject to a processing fee (36 CFR 251.58(c)(7)). These customer service standards do not apply to applications that are subject to a waiver of or exempt from cost recovery fees (36 CFR 251.58(f) or (g); sec. 24.1 and 24.6). Document compliance with these standards, including anticipated and revised processing steps and schedules, in SUDS.

- 1. Minor Category Applications Subject to a Categorical Exclusion.** Endeavor to process minor category applications subject to a categorical exclusion pursuant to NEPA

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

(FSH 1909.15, ch. 30) within 60 calendar days of the date of receipt of the processing fee. If the application cannot be processed within that 60-day period, the Authorized Officer shall notify the applicant in writing prior to the 30th calendar day of that period of the reasons for the delay and a projected date for completion of processing.

2. **All Other Applications.** For minor category applications not subject to a categorical exclusion and all major category applications, notify the applicant in writing within 60 calendar days of the date of acceptance of the application of the anticipated steps and schedule for processing the application.
3. **Delays.** Keep all applicants informed regarding any delays in the processing schedule.

21.12 - Monitoring Fees

Assess monitoring fees for an authorization independently of any processing fees that may be charged for processing the application for that authorization (36 CFR 251.58(d)).

1. **Basis of Monitoring Fees.**
 - a. **Minor Category Authorizations.** For minor category authorizations, including those covered by a master agreement, unless they are aggregated per section 23.4, paragraph 1, monitoring fees may be assessed based only on the estimated time needed for Forest Service monitoring to ensure compliance with the special use authorization (36 CFR 251.58(d)(1)). Monitoring may include actions needed to ensure compliance with requirements in the Environmental Analysis for the authorization that relate to construction or reconstruction of facilities or rehabilitation of the construction or reconstruction site if these requirements are incorporated into the special use authorization.
 - b. **Major Category 5 and Category 6 Authorizations.** For major category 5 authorizations (authorizations that fall into a major category and that are covered by a master agreement) and category 6 authorizations, monitoring fees may be assessed based on the estimated time needed for Forest Service monitoring to ensure compliance with the special use authorization during all phases of its term, including but not limited to the bases for assessing monitoring fees for minor category authorizations in section 23.2, paragraph 1. Monitoring for major category authorizations may include actions needed to ensure compliance with requirements in the Environmental Analysis for the authorization if these requirements are incorporated into the special use authorization.
2. **Costs That May Not Be Included in Monitoring Fees.** Do not include in any monitoring fees the Forest Service's costs for billings, maintenance of case files, annual performance evaluations, or routine inspections to determine compliance generally with the terms and conditions of an authorization (36 CFR 251.58(d)(1)).

3. **Third-Party Monitoring and Self-Monitoring.** Third-party monitoring and self-monitoring reduce the Agency's monitoring costs, thereby reducing the holder's monitoring fees. Third-party monitoring and self-monitoring are subject to the following requirements.
 - a. **Third-Party Monitoring.** The protocol and contractor for third-party monitoring must have prior written approval from the Authorized Officer. In determining whether to approve the contractor, the Authorized Officer should consider whether the contractor is qualified to perform the monitoring, licensed, if appropriate, and independent of the holder. The Authorized Officer shall specify the documentation required for third-party monitoring and shall require the contractor to submit the documentation to the Forest Service for review and approval, as well as to the holder.
 - b. **Self-Monitoring.** Self-monitoring must have prior written approval from the Authorized Officer. In determining whether to approve self-monitoring, the Authorized Officer should consider whether the holder is qualified to perform the monitoring and licensed, if appropriate. The Authorized Officer shall specify the documentation required for self-monitoring and shall require the holder to submit the documentation to the Forest Service for review and approval.
4. **Monitoring of Major Category Authorizations After Discontinuation of the Authorized Use.** If a major category 5 or category 6 authorization is revoked or terminates without renewal of the authorized use, continue to collect monitoring fees that have accrued, including fees for monitoring compliance with site rehabilitation requirements in the authorization, in accordance with the category 5 master or category 6 major cost recovery agreement.

22 - Informing Proponents of Cost Recovery Requirements

The Authorized Officer or case manager should inform proponents of potential cost recovery requirements during the pre-proposal meeting Title 36, Code of Federal Regulations, Section 251.54(a); ch. 10, sec. 12.1). The potential cost recovery fees may be an important consideration for the proponent in determining whether to proceed with the proposal. With respect to cost recovery, the Authorized Officer or case manager should inform the proponent of the following:

1. The applicant's responsibility for providing the Agency with all the information needed to review, evaluate, and make a decision on a proposal and an application.
2. Cost recovery fees are different from the land use fee which will be assessed when an authorization is issued.
3. Potential processing and monitoring fees.

4. That processing work conducted by the applicant, or a third party contracted by the applicant minimizes the costs the Agency will incur to process the application and thus reduces the processing fee.
5. That processing fees are not assessed until the Agency accepts an application and is prepared to process it.
6. That there is no guarantee that an accepted application will result in issuance of an authorization.
7. The relevant customer service standard (sec. 21.11d).
8. That limited funds or personnel could delay processing of an application, particularly when it is exempt from or subject to a waiver of cost recovery fees and the customer service standards do not apply.
9. If applicable, use of a category 5 master or category 6 major cost recovery agreement for processing and monitoring.
10. If applicable, special requirements that apply to processing multiple applications (sec. 21.11a and 21.11b).
11. The process by which an applicant or holder may dispute the processing or monitoring fee category or estimated fee amount determined by the Authorized Officer (sec. 27).

When a proposal passes all screening criteria, the Authorized Officer shall notify the applicant that the agency is prepared to accept a written formal application. In some instances, the proposal may contain all information necessary to accept as a formal application. When the application is accepted, and the applicant wants to proceed with processing the application, prepare cost estimates and any necessary agreements. Review the cost estimates and agreements with the applicant and obtain assurance that the applicant wishes to proceed with processing the application before sending a bill for processing fees.

23 - Determining Cost Recovery Fee Categories and Estimated Fee Amounts and Assessing Cost Recovery Fees

Processing and monitoring fees are determined independently of the land use fee for a special use authorization and are determined case by case. Follow these steps to determine the applicable processing and monitoring fee category or estimated fee amount.

1. **Applicability of an Exemption.** Determine if the proposed use is exempt from cost recovery (sec. 23.1 and 23.2).
2. **Estimate of Agency Time.** If the proposed use is not exempt from cost recovery fees, estimate the total number of hours of Agency work that will be associated with the

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

applicant's application and authorization that qualifies for processing and monitoring fees, based on sections 21.11 and 21.12.

3. **Consideration of Reasonableness.** Reductions for major category cost recovery fee estimates pursuant to the FLPMA reasonableness factors may be needed (sec.23.4).
4. **Determination of the Fee Category.** If the estimate for processing or monitoring is 50 hours or less, determine the applicable minor category according to section 23.3. Assess fees using the minor category fee schedule for processing or monitoring in section 23.5.
5. **Determination of the Estimated Fee Amount.** If the estimate for processing or monitoring is more than 50 hours, develop a cost estimate and category 6 cost recovery agreement per sections 23.4 and 24.2.
6. **Consideration of a Fee Waiver.** Consider requests for a fee waiver after determining the applicable processing and monitoring fee and entering the fee information into the appropriate screen in SUDS (sec. 23.5).

23.1 - Uses Exempt from Cost Recovery Fees

When a use, applicant, or holder is exempt from cost recovery fees, do not estimate Agency hours needed to process or monitor the application or authorization. Document cost recovery exemptions in SUDS.

The criteria for exemptions from cost recovery fees differ from the criteria for exemptions from land use fees. See section 31.21 for direction on land use fee exemptions. Section 23.1, exhibit 01, compares the criteria for cost recovery and land use fee exemptions.

The following special uses applicants and holders are exempt from processing and monitoring fees:

1. **Applications and Authorizations Requiring 1 Hour or Less to Process or Monitor.** Do not charge a processing or monitoring fee when the Agency time for processing or monitoring will total 1 hour or less.
2. **Noncommercial Group Uses.** Do not charge a processing or monitoring fee when the application or authorization is for a noncommercial group use. The purpose of this exemption is to avoid imposing an undue burden on activities associated with exercise of an applicant's or holder's First Amendment rights.
3. **Noncommercial Activities Exempt from Closure Orders.** Do not charge a processing or monitoring fee when the application or authorization is to exempt a noncommercial activity from a closure order, except for an application or authorization for access to non-Federal lands within the boundaries of the NFS granted pursuant to section 1323(a) of the Alaska National Interest Lands Conservation Act Title 16, United States Code,

Forest Service Handbook 2709.11 – Special Uses Handbook

Chapter 20 – Cost Recovery

Amendment: 2709.11-2023-2

Effective date: October 4, 2023

section 3210(a). An example includes issuance of a temporary permit to enter an area closed due to an emergency, such as fire danger, when the Authorized Officer determines entry into the area is appropriate for compelling reasons, for example to retrieve private property.

4. Ditch Bill Easements. Do not charge a processing or monitoring fee when the application or authorization is for a water system authorized by section 501(c) of FLPMA, Title 43, United States Code, 1761(c).
5. Applications or Authorizations for a Use or Activity Conducted by a Federal Agency Under Authorities Other than FLPMA, the MLA, the NHPA, or the Commercial Filming Act. Do not charge a processing or monitoring fee when the application or authorization is for a use or activity conducted by a Federal agency under authorities other than FLPMA, the MLA, the NHPA, or the Commercial Filming Act. For example, do not charge any cost recovery fees when the application or authorization is for a use or activity conducted by a Federal agency under the Organic Administration Act, Title 16, United States Code, section 551, section 7 of the Granger-Thye Act (16 U.S.C. 580d), or the Term Permit Act, Title 16, United States Code, section 497.
6. Recreation Special Uses Requiring 50 Hours or Less to Process or Monitor. Do not charge a processing or monitoring fee when the application or authorization is for a recreation special use (FSM 2721) and requires 50 hours or less to process or monitor, except when multiple recreation special use applications are submitted in response to a prospectus or multiple application evaluated under one environmental analysis, and the Agency requires more than 50 hours in the aggregate to process them (36 CFR 251.58(c)(3)(ii) and (c)(3)(iii); sec. 21.11a).

All other special uses, applicants, and holders are subject to cost recovery fees, including applicants for and holders of authorizations for facilities financed or eligible for financing under the Rural Electrification Act. Amendments to FLPMA that exempt these facilities from land use fees explicitly provide for cost recovery fees (43 U.S.C. 1764(g), as amended by Pub. L. No. 98-300 and Pub. L. No. 104-333). See chapter 30, section 34, for direction regarding these facilities.

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

23.1 - Exhibit 01

Exemptions From Cost Recovery Versus Land Use Fees

Special Use, Holder, or Applicant	Exempt From Cost Recovery Fees	Exempt From Land Use Fees*
	36 CFR 251.58(g) FSH 2709.11, sec. 23. 1	36 CFR 251.57(c)-(d) FSH 2709.11, sec. 31.21
Noncommercial group uses	Yes	Yes
Noncommercial activities authorized as an exemption to a closure order	Yes, except for permits for access to non-federal lands under ANILCA	No
Ditch Bill easements	Yes	Yes
Federal agencies	Yes, if the authority is not FLPMA, MLA, NHPA, or Commercial Filming Act	Yes
Recreation uses that require 50 hours or less to process or monitor	Yes	No
Facilities eligible for financing under the Rural Electrification Act	No	Yes

* Exemptions for land use fees cover both a fee for use of the land and a fee for use of federally owned improvements.

23.2 - Minor Categories (Categories 1 through 4 and Sometimes Category 5)

Minor category uses require more than 1 hour and up to and including 50 hours to process or monitor. There are 4 minor categories. Section 23.2, exhibit 01, illustrates the minor categories. Minor category fees are established in processing and monitoring fee schedules (sec. 23.3). A collection agreement may not be used to recover processing and monitoring costs for minor category uses that exceed the rates established in the processing and monitoring fee schedules. A category 5 master cost recovery agreement may cover minor category uses (36 CFR 251.58(c)(2)(v) and (d)(2)(v); sec. 23.4 and 23.5).

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

23.2 - Exhibit 01

Minor Categories

Category	Agency Time (hours)
1	> 1 and ≤ 8
2	> 8 and ≤ 24
3	> 24 and ≤ 36
4	> 36 and ≤ 50

1. Processing Fee Categories.

- a. Category 1 (Minimal Impact). The total estimated processing time is more than 1 hour and up to and including 8 hours. For uses in this category, typically the Forest Service has, or the applicant provides all the information necessary to process the application in compliance with NEPA and other applicable laws and regulations; a categorical exclusion applies under Forest Service's NEPA procedures; an interdisciplinary team is not needed; and the proposed use is routine and involves no controversy.
- b. Category 2. The total estimated processing time is more than 8 hours and up to and including 24 hours. For uses in this category, typically the Forest Service has, or the applicant provides all the information necessary to process the application; a categorical exclusion applies under Forest Service's NEPA procedures; an interdisciplinary team and land management plan amendment are not needed; and the proposed use involves little controversy.
- c. Category 3. The total estimated processing time is more than 24 hours and up to and including 36 hours. For uses in this category, typically the Forest Service has or the applicant provides most of the information necessary to process the application, but the Forest Service may need to gather a limited amount of additional information for that purpose; a categorical exclusion may apply, and if not, a simple environmental assessment and decision notice are probably sufficient for purposes of NEPA compliance; an interdisciplinary team and land management plan amendment are not required, although consultation with resource specialists and a field examination may be necessary to ensure that no unusual or unique resource conditions are present; and the proposed use involves little controversy.
- d. Category 4. The total estimated processing time is more than 36 hours and up to and including 50 hours. For uses in this category, typically the Forest Service does not have and the applicant does not provide all or most of the information necessary to process the application, and the Agency must gather additional information; a categorical exclusion probably does not apply, but an environmental assessment and decision notice should be sufficient for NEPA purposes; and an interdisciplinary term, land management plan amendment,

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

consultation with resource specialists, and multiple field examinations may be required.

2. Monitoring Fee Categories.

- a. Category 1 (Minimal Impact). The total estimated monitoring time is more than 1 hour and up to and including 8 hours. For uses in this category, typically the Forest Service takes and documents one trip to monitor compliance with a special use authorization during construction, reconstruction, or site rehabilitation.
- b. Category 2. The total estimated monitoring time is more than 8 hours and up to and including 24 hours. For uses in this category, typically the Forest Service takes and documents one or two trips to monitor compliance with a special use authorization during construction, reconstruction, or site rehabilitation.
- c. Category 3. The total estimated monitoring time is more than 24 hours and up to and including 36 hours. For uses in this category, typically the Forest Service takes and documents more than one trip and may require specialists to monitor compliance with a special use authorization during construction, reconstruction, or site rehabilitation.
- d. Category 4. The total estimated monitoring time is more than 36 hours and up to and including 50 hours. For uses in this category, typically the Forest Service takes and documents more than one trip, possibly at multiple locations, and may require specialists to monitor compliance with a special use authorization during construction, reconstruction, or site rehabilitation.

23.3 - Cost Recovery Fee Schedules

The Washington Office Director of Lands and Realty Management shall update both the processing and monitoring fee schedules annually using the Implicit Price Deflator-Gross Domestic Product (IDP-GDP) (36 CFR 251.58(i)(1)). The current processing and monitoring fee schedules are posted on the Forest Service's website site at https://www.fs.usda.gov/specialuses/special_fees.shtml and are updated annually in SUDS.

The Washington Office Director of Lands and Realty Management shall review the cost recovery fee schedules every 5 years from March 23, 2006, to determine whether the rates in the schedules are commensurate with actual costs incurred by the Forest Service in processing special use applications and monitoring special use authorizations and to assess consistency with processing and monitoring fee schedules established by the BLM (36 CFR 251.58(i)(2)).

23.4 - Major Categories (Category 6 and Sometimes Category 5)

Major category uses require more than 50 hours to process or monitor. Cost recovery fees for major category uses are estimates of the Agency's full actual processing or monitoring costs (or reduced costs), including overhead and indirect costs. Major category uses fall into either category 5 (master agreements) or category 6 (major agreements). Major category fees are reconciled periodically according to the terms of the applicable category 5 master or category 6 major cost recovery agreement (sec. 23.6 and 26).

23.41 - Major Agreements (Category 6)

The Forest Service and an applicant may enter into a category 6 major cost recovery agreement for the Agency to recover processing and monitoring costs associated with a particular application and authorization, a group of applications and authorizations, or similar applications and authorizations for a specified geographic area (form FS-2700-26). Unlike master agreements, major category agreements may not include multiple minor category projects. Additionally, major category agreements may qualify for reductions in costs as provided in paragraphs 1 and 2 of this section. When developing major category agreements for small business entities, strive to schedule the processing and monitoring work over a timeframe that the entity can afford, including scheduling work over several years if necessary.

1. **Reductions in Processing and Monitoring Fees for Certain Category 6 Applications and Authorizations (36 CFR 251.58(c)(1)(ii) and (d)(1)(i)).** For category 6 applications submitted and authorizations issued under authorities other than the MLA, the applicant or holder:
 - a. May request a reduction in the processing or monitoring fees based upon the applicant or holder's written analysis of:
 - (1) Actual costs;
 - (2) The monetary value of the rights or privileges to be granted;

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

- (3) That portion of the costs incurred for the benefit of the general public interest;
- (4) Any public service to be provided;
- (5) The efficiency of the Agency processing or monitoring; and
- (6) Other factors relevant to determining the reasonableness of the costs.

The Authorized Officer shall determine whether the estimate of full actual costs should be reduced based on this analysis and shall notify the applicant or holder in writing of this determination before finalizing the category 6 major cost recovery agreement. Reduction in cost recovery fees under paragraph 1a is separate from waiver of cost recovery fees under section 23.6; or

- b. May agree in writing to waive payment of reasonable costs and pay the actual costs incurred in processing and monitoring the application and authorization. If the applicant or holder does not request a reduction in writing, the holder's or applicant's signature on the cost estimation sheet shall constitute agreement to waive payment of reasonable costs.

No reductions in costs may be made in processing and monitoring fees for category 6 applications submitted and authorizations issued under the MLA.

2. Reduction of Category 6 Processing and Monitoring Fees Associated with a Valid Existing Right. Category 6 processing and monitoring fees for the following uses should be examined to determine if a reduction of the fees is appropriate based on the factors in section 23.4, paragraph 1a, provided these uses are not authorized under the MLA:

- a. Routine and non-routine operation and maintenance of a water system in a wilderness area for which there is a valid right-of-way under Revised Statutes (R.S.) 2339.
- b. Non-routine operation and maintenance of a water system on NFS lands for which there is a valid right-of-way under R.S. 2339.
- c. Non-routine operation and maintenance of a water system on NFS lands authorized by a right-of-way granted by the U. S. Department of the Interior before creation of the Forest Service, where the non-routine operation and maintenance are not expressly provided for in the right-of-way authorization.
- d. Uses of acquired NFS lands associated with an outstanding easement, right-of-way, or other outstanding real property interest, including an outstanding mineral estate.

- e. Use of acquired NFS lands associated with a reserved easement, right-of-way, or other reserved real property interest, including a reserved mineral estate.
- f. Access to non-federal property across NFS lands that requires surface disturbance or the use of Federally owned roads, trails, or transportation facilities that are not authorized for public use.

23.42 – Master Agreements (Category 5)

The Forest Service and the applicant or holder may enter into a category 5 master cost recovery agreement for the Agency to recover processing and monitoring costs associated with a particular application and authorization, a group of applications and authorizations, or similar applications and authorizations for a specified geographic area (form FS-2700-26b). A master agreement may include multiple minor category projects (categories 1 through 4), as well as one or more major agreement project (category 6). In signing a category 5 master cost recovery agreement for a major category application submitted or authorization issued under authorities other than the MLA, an applicant or holder waives the right to request reduction of the processing or monitoring fee pursuant to section 23.4, paragraph 1a.

1. **Use of Category 5 Master Cost Recovery Agreements.** A category 5 master cost recovery agreement allows the Agency to streamline recurring, phased, and similar processing and monitoring activities. For example, a category 5 master cost recovery agreement could preclude the need to make separate fee determinations for recurring projects or different phases of a single project. A category 5 master cost recovery agreement may be appropriate for a single applicant or authorization, such as a power company with recurring applications for distribution lines, or a resort authorization that requires monitoring under several phases of a master development plan. A master agreement may also be appropriate for multiple applicants or authorizations within a geographic area or with a similar type of use. For example, three different companies applying for three separate authorizations for their facilities in the same area could be covered in a single environmental analysis pursuant to a category 5 master cost recovery agreement.
2. **Aggregation of Applications and Authorizations for Purposes of Fee Determination.** If a category 5 master cost recovery agreement covers multiple applications or authorizations that can be aggregated based on the type, timing, and location of the proposed or authorized use, the case manager should review the applications or authorizations in the aggregate to determine which cost recovery category to assign. If the aggregated applications or authorizations fall into a minor category, charge the rate for that category from the applicable fee schedule. If the aggregated applications or authorizations fall into category 6, charge a major category fee (full actual costs). If a category 5 master cost recovery agreement covers multiple applications or authorizations that cannot be aggregated based on the type, timing, and location of the proposed or authorized use, assess each application and authorization individually, rather than collectively, for purposes of determining the applicable cost recovery fee.

23.5 – Waiver of Cost Recovery Fees

1. If requested by an applicant or holder in writing, with supporting analysis, all or part of a processing or monitoring fee may be waived at the sole discretion of the Authorized Officer based on one or more of the following criteria, provided that cost recovery fees for local public road authorities may be waived if they meet one or more of the following criteria.
 - a. The applicant or holder is a Federal, State, or local governmental entity that does not or would not charge processing or monitoring fees for services the applicant or holder provides or would provide to the Forest Service.
 - b. A major portion of the processing costs results from issues not related to the project being proposed.
 - c. The application is for a project intended to prevent or mitigate damage to real property, or to mitigate hazards or dangers to public health and safety resulting from an act of nature, an act of war, or negligence of the United States.
 - d. The application is for a new authorization to relocate facilities or activities to comply with public health and safety or environmental laws and regulations that were not in effect at the time the authorization was issued.
 - e. The application is for a new authorization to relocate facilities or activities because the land is needed by a Federal agency or for a federally funded project for an alternative public purpose.
 - f. The proposed facility, project, or use will provide, without user or customer charges, a valuable benefit to the public or to the programs of the Secretary of Agriculture.
2. The criteria for cost recovery fee waivers and exemptions are different from the criteria for land use fee waivers and exemptions. See chapter 30, section 31.22, for direction on land use fee waivers and exemptions.
3. Customer service standards (sec. 21.11d) do not apply when a processing fee waiver is granted by the Authorized Officer. To expedite processing, an applicant may elect not to request a waiver for which the applicant is eligible.
4. Cost recovery fees that are waived must still be entered and documented as waived in SUDS.

24 - Documenting Fee Category Determinations and Estimated Fee Amounts

Use SUDS to calculate and document fee category determinations and estimated fee amounts, generate category 5 master and category 6 major cost recovery agreements, and document

final costs. For additional information, see: <https://usdagcc.sharepoint.com/sites/fs-recuts/SitePages/Cost%20Recovery.aspx>.

Use the Forest Service's WorkPlan System to document the yearly expected processing and monitoring workload in minor and major categories. Update entries in the WorkPlan System at major points in cost recovery, for example, acceptance of a proposal as an application, billing and payment of cost recovery fees, and issuance of an authorization. The Forest Service's Budget Office uses the information from the WorkPlan System in conjunction with documentation of collections to justify the budget and fee retention authority for the Cost Recovery Program and for workforce planning proposes. Work through the Regional Office to notify the Washington Office when unanticipated applications for authorizations are received that have significant cost recovery fees. Based on actual and anticipated processing and monitoring work, provide a revised estimate of future minor and major category processing and monitoring costs to the local Budget Coordinator to assist in obtaining the anticipated budget authority needed for the next fiscal year.

24.1 - Documenting Fee Determinations for Minor Categories 1 Through 4

For minor category applications and authorizations (sec. 23.2), document the category, type of environmental analysis required, and number of agency hours required for processing and monitoring. Provide a copy of the SUDS estimation sheets to the applicant or holder with the bill for collection and include them in the case file. When processing or monitoring is completed, update SUDS, print the final worksheets, and include them with any other supporting documentation in the case file. Based on actual and anticipated processing and monitoring work, provide a revised estimate of future minor category processing and monitoring costs to the local Budget Coordinator, for use in the budget process.

24.2 - Documenting Estimated Fees for Categories 5 and 6

Category 5 master and category 6 major cost recovery agreements (sec. 23.4 and 23.5) may include processing fees, monitoring fees, or both. Document processing and monitoring fees in separate sections of the agreement. Use form FS-2700-26b to document category 5 master cost recovery agreements. Use form FS-2700-26 to document category 6 major cost recovery agreements. The forms are available for review at the Washington Office Forest Service-Forms intranet site, <https://usdagcc.sharepoint.com/sites/fs-orms/orms-forms/Pages/FormsHome.aspx>. The Authorized Officer is responsible for executing category 5 master and category 6 major cost recovery agreements.

Use SUDS to document the applicable cost recovery category, type of environmental analysis required, and processing and monitoring cost estimates. When processing and monitoring are completed, enter final actual costs in SUDS from reports generated by the WorkPlan system, and include them with any other supporting documentation in the case file.

The following must be included with a category 5 master or category 6 major cost recovery agreement: a list of applications and authorizations subject to the agreement, a map and

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

description of the geographic area involved, and a scope of work. A cost recovery agreement may include additional components, depending on the complexity of the projects involved.

A scope of work template is posted: <https://usdagcc.sharepoint.com/sites/fs-rec-suts/SitePages/Cost%20Recovery.aspx>.

The scope of work must describe:

1. The tasks to be performed by each party under the cost recovery agreement;
2. The timeframes for completing those tasks;
3. Who is responsible for completing them; and
4. An itemized cost estimate for completing them.

Itemize costs for each phase of work (for example, application review, field review, resource specialist reports, and environmental document preparation) in sufficient detail to allow independent verification of calculations. At a minimum, itemize the following Agency costs:

1. Personnel. Itemize personnel costs based on the hours of work involved at cost-to-government rates;
2. Travel;
3. Vehicle mileage;
4. Supplies;
5. Printing, publication, and mailing;
6. Contract services; and
7. Indirect costs. For cases still being handled by RACA, the indirect cost rate is published each year in the final program budget direction and updated in SUDS.

The scope of work must provide for revisions.

When using a third-party contractor for Environmental Analysis, enumerate the roles and responsibilities of the contractor, the Forest Service, and the applicant in the scope of work. The scope of work must specify how the contractor will be selected, paid, and directed and must require the contractor's work to be subject to Forest Service approval. If the Forest Service has determined that the third-party contract for environmental analysis does not meet technical requirements of Forest Service regulations or directives, the Forest Service will inform the applicant of the deficiency and requirements that must be met to bring the work up to standard.

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

The scope of work may also enumerate how the Agency will prepare cost estimates, standards for performance of work, how the Agency will approve work, a list of information, such as drawings, plans, and surveys, to be supplied by the applicant or holder, coordination with other agencies, and principal contacts for the Agency and applicant or holder. Guidelines for preparing the scope of work are found in section 24.2, exhibit 01.

The applicant or holder may request to review cost-recovery documentation of Agency expenditures and accomplishments for the project. Document all Agency processing and monitoring expenditures in the case file.

Enter the cost estimates from the scope of work into the WorkPlan System. These estimates are considered for workforce planning and to aid in the justification and verification of costs for budgeting purposes.

24.2 – Exhibit 01

Guidelines for the Scope of Work

This scope of work involves preparation of an environmental assessment, which will be attached as an appendix to the scope of work. If the Forest Service determines, based on scoping or subsequent analysis, that an environmental impact statement is required, it will be attached to the scope of work as an appendix. The Forest Service reserves the right to make any revisions to the scope of work based on any changes in estimated Agency processing or monitoring costs.

I. PROCESSING TIMELINE

<u>Task</u>	<u>Date</u>	<u>Time Required</u>	<u>Responsible Party</u>
Review Application (Select 3 rd Party NEPA Contractor, If Needed)	2/14	10 days	Forest Service (FS)
Public Notification			
• Newspapers	2/27	21 days	FS
• Scoping Letters	2/28	7 days	FS
Scoping Meetings			
• Agency	3/2	1 day	FS, Applicant
• Public	3/15-16	1 day each	FS, Applicant
Field Review	March	As required	FS, Applicant, Other Agencies
Preparation of the EA	3/20-5/5	45 days	FS
Review and Public Comments	5/10-6/10	30 days	FS, Other Agencies
Release EA, Public Review	6/10-7/10	30 days	Public
Issue Decision Notice	7/10-15	5 days	FS

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

<u>Task</u>	<u>Date</u>	<u>Time Required</u>	<u>Responsible Party</u>
Appeal Period	7/15-8/30	45 days	Public
<u>If Approved/No Appeal</u>			
Issue Authorization and Monitoring Cost Recovery	9/5	5 days	FS
Pre-Construction Meeting	9/6	1 day	FS
Start Construction and Compliance Inspections	9/7	As Required	FS

Information to be Supplied by Applicants

Technical drawings; plans for construction, operation, and maintenance; survey drawings; and other information specifically related to the proposed project.

Applicant/Consultant Statement of Work

Specify the studies/documents that the Forest Service is requiring. This information is necessary to clearly identify the statement of work to be performed by the applicant/consultant (select those that are required).

- Centerline survey
- Biological Evaluation for ESA (plant, animal, aquatic) for consultation with U.S. Fish and Wildlife Service
- Cultural Resource Survey
- Water and Soil Evaluations
- Visual
- Plan of Development and Best Management Practices
- Other (Specify)

Coordination with Other Agencies

USDA Forest Service will coordinate this proposed project with at least the following other agencies (select those that apply):

- U.S. Fish and Wildlife Service
- State Department of Fish and Game
- State Historic Preservation Department

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

- Local Native American Tribes
- Environmental Groups
- Other Affected Parties (identify the party)

Agency Statement of Work

(Below is a tickler list; be as specific as possible in describing the Forest Service work to be done)

- Review Application, Plan of Development, Best Management Practices
- Review Technical Reports/Surveys Provided by Applicant/Consultant
- Meet with Applicant/Consultant and/or Subcontractors
- Write Decision Document
- Prepare Authorization if Use Approved
- Other (Specify)

A sample scope of work is available on the Forest Service's website at <https://usdagcc.sharepoint.com/sites/fs-rec-suts/SitePages/Cost%20Recovery.aspx>.

25 – Revision to Processing and Monitoring Fees

Processing and monitoring fees may be revised only under limited circumstances.

25.1 - Revisions to Minor Category Processing Fees

Minor category processing fees may not be reclassified into a higher minor category once the processing fee category has been determined. However, if the Authorized Officer discovers previously undisclosed information that necessitates changing a minor category processing fee to a major category processing fee, the Authorized Officer shall notify the applicant in writing of the conditions prompting a change in the fee category before continuing with processing the application. The applicant may:

1. Accept the revised processing fee category and pay the difference between the previous and revised processing fees;
2. Withdraw the application;
3. Revise the proposed use to lower the processing costs; or
4. Request review of the disputed fee as provided in section 27 (36 CFR 251.58(c)(4)(ii)).

Monitoring fees are not subject to reclassification from a minor to a major category.

25.2 - Revisions to Major Category Fee Determinations

The Forest Service may amend category 5 master and category 6 major cost recovery agreements, including cost estimates, as necessary or appropriate. Most amendments may be documented in appendices to the standard agreement forms. Amendments that affect cost estimates require corresponding revisions to the scope of work. Provide a copy of any revisions to the agreement to RACA if the agreement was executed prior to October 1, 2019, and the applicant or holder. Necessary documentation for cost adjustments may include revisions to other documentation, such as form FS-2700-23 (Amendment for Authorizations and Cost Recovery).

26 – Budgeting, Billing, Payment, Spending and Reconciliation of Cost Recovery Fees

All budgeting, billing, payment, and reconciliation of cost recovery fees must be processed through the Agency's accounting system, currently the Financial Management Modernization Initiative (FMMI), and are subject to established Agency procedures. For financial guidance, see FSH 6509.11g, section 66.23, and FSH 6509.11k, chapter 30, section 34.

All determinations of cost recovery fee categories, estimated fee amounts, and category 5 master and category 6 major cost recovery agreements are processed through SUDS.

Data from bills generated for processing and monitoring fees will be generated in SUDS by the case manager. Section 26, exhibit 01, displays a SUDS screen showing the fields for entry of estimated and actual processing and monitoring costs.

Forest Service Handbook 2709.11 – Special Uses Handbook

Chapter 20 – Cost Recovery

Amendment: 2709.11-2023-2

Effective date: October 4, 2023

26 – Exhibit 01

SUDS Data Entry Screen

Oracle Fusion Middleware Forms Services - Work - Microsoft Edge

https://iweb.fs.usda.gov/forms/frmservlet?form=suau0020&config=forms9i_sso&otherparams=OBJ_CLASS=ACCOMPLISHMENT_IN...

File Edit Record Query Help Window

SU_COST_RECOVERY_EST_SHEET Version: 6.0 User: CMUIR@iwebdb Domain: fs.usda.gov

Special Use Application / Authorization and Use

ID: [] Exp. Date: 12/31/2042 Date Issued: [] Billing Cycle: Annually

Use Code: 823 FIBER OPTICAL CABLE Contact: []

Estimation Sheet for Cost Recovery Category and/or Fee

☐ Monitoring ☒ Processing Amendment #: [] Type of NEPA: CE

Determine Category:

*Item	*Item Description	*Est. Hours
WILDLIFE BIOLOGIST	review of records, review NEPA	16.00
HYDROLOGIST	review of records, review NEPA	16.00
ARCHAEOLOGIST/CL	review of records, review NEPA	24.00

Total Hours: 296 Category: 6

For Categories 5 or 6 Determine Estimated and Actual Costs:

Item	Item Description	CTG Hourly Rate	Estimated Hours	Estimated Cost	Actual Hours	Actual Cost	Comments
WILDLIFE BIOLOGIST	REVIEW OF RECORDS, REVIEW NEPA	\$53.25	16.00	\$852.00			
HYDROLOGIST	REVIEW OF RECORDS, REVIEW NEPA	\$53.17	16.00	\$850.72			
ARCHAEOLOGIST/CL	REVIEW OF RECORDS, REVIEW NEPA	\$54.12	24.00	\$1,298.88			
Sub-Totals:			296.00	\$14,724.64			

***Other Expenses**

*Description	Estimated Hours	Estimated Cost	Actual Hours	Actual Cost	Comments
OTHER EXPENSE	NONE				
Sub-Totals:					
Totals:				\$14,724.64	\$0.00
Grand Totals:				\$14,724.64	\$0.00

Record: 1/10 List of Values

1. **Budgeting of Cost Recovery Fees.** Budgeting is a critical component of the Cost Recovery Program. The budget for the Cost Recovery Program is approved by the Office of Management and Budget (OMB) each year. To facilitate this process, both minor and major category processing and monitoring collections and expenditures are included in the Forest Service budget. Based on this information, the Washington Office receives an apportionment from OMB for anticipated annual expenditures for processing and monitoring. As cost recovery fees are received and recorded in FMMI during the year, the spending authority is increased by RACA. Cost recovery expenditures are controlled at the regional level for minor projects, at both the regional and project level for major projects (FSH 6509.11g). Project-level job codes are established for billing, collection, and expenditure purposes as follows:
 - a. **Minor Category.** Pre-established for every unit using fund URMN, program URMN, and the following format:

Forest Service Handbook 2709.11 – Special Uses Handbook

Chapter 20 – Cost Recovery

Amendment: 2709.11-2023-2

Effective date: October 4, 2023

URMN01yy (yy = last 2 digits of current fiscal year).

- b. **Major Category.** Requested by case manager upon receipt of new major category cost recovery agreement using fund URMJ, program URMJ, and the following format:

MJaaaayy (aaaa = last 4 digits of agreement number; yy = last 2 digits of current fiscal year).

2. Billing of Cost Recovery Fees. Bills for processing and monitoring fees are processed in SUDS.

- a. **Processing Fees (36 CFR 251.58(c)(4)(i)).**

- (1) **In General.** Do not bill an applicant a processing fee until the Agency is prepared to process the application.
- (2) **Initial Processing Fees for Campground Concessions.** When an initial processing fee for a campground concession application is received, generate a bill for collection from SUDS. Send the bill for collection from SUDS to FMMI using the job code for minor category processing fees. Send initial processing fees that are collected to the USDA-Forest Service, c/o the applicable current lockbox address or other deposit instructions, accompanied by a copy of the bill for collection. Send a copy of the bill for collection; marked “paid” to the applicant.

- b. **Monitoring Fees (36 CFR 251.58(d)(3)).** The Authorized Officer shall estimate monitoring costs (sec. 21.12) and shall notify the holder in writing of the required fee. If possible, reduce the cost of billing by including processing and monitoring fees on the same bill. Bill monitoring fees in time to receive payment before the holder’s authorization is issued or amended. Minor category monitoring fees may be included as a separate item on the SUDS-generated bill for land use fees. Separate billing for major category monitoring fees may be appropriate when there is a significant break between processing and monitoring, or the monitoring fee is significant.

3. Payment of Cost Recovery Fees. Document payment of cost recovery fees in SUDS. Payment of cost recovery fees is due within 30 days of issuance of a bill for the fees.

- a. **Processing Fees (36 CFR 251.58(c)(5)).** Processing fees must be paid in full before processing commences or, in the case of a revised fee, continues, unless a category 5 master or category 6 major cost recovery agreement provides for periodic payment. Payment of the processing fee does not obligate the Forest Service to authorize the applicant’s proposed use.

- b. Monitoring Fees (36 CFR 251.58(d)(3)). Monitoring fees must be paid in full before or at the same time the authorization is issued unless a category 5 master or category 6 major cost recovery agreement provides for periodic payment.
 - c. Periodic Payments Under Category 5 Master and Category 6 Major Cost Recovery Agreements. Consider the financial impact on the small entity to prepay large amounts when establishing the cost recovery agreement payment schedule. Category 5 master and category 6 major cost recovery agreements may provide for monthly, quarterly, or other periodic payments when the estimated fee is more than \$10,000, provided that smaller payments can be scheduled for small business entities that cannot afford to pay a lump sum of \$5,000 to \$10,000. The applicant or holder must pay in advance the estimated cost of agency processing and monitoring to be performed during the specified period.
- 4. **Expenditure of Cost Recovery Fee Revenues.** Expenditure of minor category cost recovery fee revenues may begin once collection is received and available URMN budget authority is verified, using the pre-established URMN job code on the applicable unit. Expenditure of major category cost recovery fee revenues may begin upon receipt of bill payment.
- 5. **Reconciliation of Cost Recovery Fees.**
 - a. Processing and Monitoring Fees in Minor Categories 1 Through 4. Processing and monitoring fees in categories 1 through 4 are nonrefundable (except when adjusted based upon a dispute, section 27.3) and shall not be reconciled (36 CFR 251.58(c)(6)(i) and (d)(4)(ii)).
 - b. Processing and Monitoring Fees Under Category 5 Master and Category 6 Major Cost Recovery Agreements. Reconcile category 6 processing and monitoring fees under category 5 master or category 6 major cost recovery agreements after all processing and monitoring covered by the agreements are completed and all the related accounting transactions are processed. Reconcile the category 6 fees by comparing the estimated fee amount with costs incurred under the agreement and provide the applicant or holder with a statement of the costs incurred. Fee balances for categories 1 through 4 included in a category 5 master agreement are not refundable. Category 5 and 6 costs should not exceed payments received because cost recovery funds require advance payment before spending and job code spending controls limit overspending. Case Managers must monitor spending and if costs are nearing the authorized amount, additional funding must be received from the applicant or holder in accordance with the agreement. If costs exceed the amount collected from the applicant or holder these costs must be paid from appropriated funds suitable for the primary purpose of the work. If collections exceed costs incurred, offer the applicant or holder the option of receiving a refund for the excess payment or applying the excess to any other cost recovery fees that may be due (36 CFR 251.58(c)(5)(ii)-

Forest Service Handbook 2709.11 – Special Uses Handbook
Chapter 20 – Cost Recovery
Amendment: 2709.11-2023-2
Effective date: October 4, 2023

(iii), (c)(6)(ii)-(iii), (d)(3)(ii)-(iii), and (d)(4)(ii)-(iii)). The excess costs adjustments will be accomplished by RACA with the proper documentation supplied by the Authorized Officer.

- c. **Overpayment of Cost Recovery Fees.** Overpayment of cost recovery fees is documented as a cost recovery fee adjustment in SUDS and processed by the Case Manager when a refund, as opposed to a fee credit, is required. When the Forest Service withdraws a prospectus without selecting an applicant or when initial processing fees for a solicitation exceed the costs associated with that solicitation, refund the excess to each applicant in equal or proportionate shares, depending on how the fees were assessed, provided that the selected applicant's overpayment may, at the applicant's request, be credited toward any additional cost recovery fees that may be due.

27 - Disputes

If an applicant or holder disagrees with the Authorized Officer's fee category determination or estimated fee amount, the applicant or holder may request substitution of an alternative fee category or estimated fee amount. These requests must be submitted in writing before the disputed fees are due to the Authorized Officer's immediate Supervisor. The applicant or holder must provide documentation that supports selection of the alternative fee category or estimated fee amount (36 CFR 251.58(e)).

27.1 - Processing Fee Disputes

1. If the total disputed processing fee is paid, continue to process the application during the supervisory officer's review of the disputed fee, unless the applicant requests that the processing cease.
2. If the total disputed processing fee is unpaid, suspend processing of the application until the supervisory officer determines the appropriate fee and payment is received.

27.2 - Monitoring Fee Disputes

1. If the total disputed monitoring fee is paid, issue the authorization, unless the potential holder elects not to exercise the use and occupancy of NFS lands during the review of the disputed fee.
2. If the total disputed monitoring fee is not paid; a new authorization is not issued or the holder's existing authorization is suspended in whole or in part until the supervisory officer determines the appropriate fee and payment is received.

27.3 - Dispute Resolution

The Authorized Officer's immediate Supervisor shall render a decision on a disputed processing or monitoring fee within 30 calendar days of receipt of the written request for review. The supervisory officer shall:

1. Sustain the Authorized Officer's determination of the fee category or estimated fee amount; or
2. Reclassify a minor category determination to a lower category or reduce the estimated fee amount.

The supervisory officer's decision is the final level of administrative review.

If the supervisory officer does not respond to the written request within 30 calendar days of receipt, the dispute must be decided in favor of the applicant or holder.

If the dispute is resolved in favor of the applicant or holder and the applicant or holder has paid the full disputed fee pending resolution of the dispute, refund any excess payment or, at the applicant's or holder's request, credit the excess payment toward any additional fees that may be due.

27.4 - Applicability of Administrative Appeal

The following cost recovery decisions are not subject to administrative appeal:

1. A decision by the Authorized Officer to assess a processing or monitoring fee;
2. An Authorized Officer's determination of a fee category or estimated fee amount; and
3. A decision by an Authorized Officer's immediate supervisor in response to a request for substitution of an alternative fee category or estimated fee amount (sec. 27.3).

28 - Accountability

Training and oversight are necessary to ensure consistent and equitable implementation of cost recovery authority.

28.1 - Training

Washington Office and regional special uses program coordinators should ensure that adequate cost recovery training is provided for line officers and staff who work with special uses.

28.2 - Oversight

1. The Washington Office Director of Lands and Realty Management and Regional Foresters shall establish appropriate procedures for oversight of cost recovery fee determinations.

2. Each Regional Forester shall establish procedures for reviewing fee category determinations and estimated fee amounts, with an emphasis on consistency, efficiency, accuracy, and fairness.
3. The financial management staff may provide support and financial expertise to line officers and special uses staff regarding collection, expenditure, tracking, and reconciliation of cost recovery fees.

28.3 - Reporting

Several reports are required for the Cost Recovery Program. Regional Foresters, the Washington Office Director of Lands and Realty Management, the Director of Program and Budget Analysis, and the Chief Financial Officer are responsible for these reports. Proper entry and maintenance of cost recovery data in SUDS and the WorkPlan System are essential to complete these reports.

1. **Justification for the Annual Budget.** The justification for the President's budget for each fiscal year must include a description of the purpose and amounts of expenditures from cost recovery accounts during the preceding fiscal year and the purpose and amounts of expenditures from those accounts proposed during the next fiscal year. Regional Foresters shall transmit this information for their regions to the Washington Office Budget Office (FSH 6509.11g).
2. **Ongoing Reporting.** Each administrative unit shall utilize the WorkPlan System to create an annual budget for cost recovery. The WorkPlan System captures actual expenditures for processing and monitoring from the Agency's accounting system by job code. Enter information relating to conformance with the customer service standards in SUDS. Utilize SUDS to enter actual processing and monitoring costs for applications and authorizations in categories 1 through 4. This information is needed to assess the sufficiency of the rates in the processing and monitoring fee schedules for the minor categories. Utilize SUDS to enter additional data regarding processing and monitoring to support the scope of work for category 5 master and category 6 major cost recovery agreements. Collections, expenditures, and refunds for category 5 master and category 6 major cost recovery agreements are recorded in the FFIS, allowing reports on results to be produced. The Forest Service shall utilize FMMI and SUDS reports to measure conformance with the customer service standards and financial accountability for all fee categories. In addition, the Washington Office Director of Lands and Realty Management shall utilize this expenditure information to adjust, as appropriate, the processing and monitoring fee schedules prior to March 23, 2011 (36 CFR 251.58(i)(2)).