

**Forest Service Manual
National Headquarters – Washington Office
Washington, DC**

**Forest Service Manual 6500 – Finance and Accounting
Chapter 6580 – Working Capital Fund**

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

6580: Revises the chapter with extensive updates for new programs and makes editorial changes throughout.

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6580.1 – Authority

6580.12 – Statutory Authority

Act of August 3, 1956 (16 U.S.C. 579b, Working Capital Fund), as amended by the Act of October 23, 1962, 76 Stat. 1157, is the authority for establishing a Working Capital Fund (WCF) in the Forest Service, and is as follows:

“Section. 13. There is established a Working Capital Fund which shall be available without fiscal year limitations for expenses necessary, including the purchase or construction of buildings and improvements within the limitations thereon set forth in the appropriations for the Forest Service (FS), for furnishing supply and equipment services in support of programs of the Forest Service. The Secretary of Agriculture is authorized to transfer to the fund, without reimbursement, and to capitalize in the fund at fair and reasonable values, such receivables, inventories, equipment and other assets as he may determine, and assume the liabilities in connection with such assets: Provided, that the fund shall be credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agencies, and from other sources, as authorized by laws, at rates approximately equal to the cost of furnishing the facilities and service.”

Per **U.S.C. 16 579b**, “It is a self-sustaining revolving fund (a fund that generates income through rate collection to fund replacement and operating expenses) without fiscal year limitations.” Its purpose is to be “credited with advance payments in connection with firm orders and reimbursements from appropriations and funds of the Forest Service, other departmental and Federal agencies, and from other sources, as authorized by law, at rates approximately equal to the cost of furnishing the facilities and service.”

The Forest Service WCF may be used as a centralized support business model, providing Agency-wide services while operating as a self-sustaining entity through the assessment of fixed operating rates, to provide full cost recovery for the services and equipment furnished. The Forest Service WCF, therefore, is a medium to buy and lease all Fleet vehicles, equipment, and/or aircraft, provides most nursery services and “enterprise fund” activities, and other Agency-wide support services or equipment needs.

The WCF, operating as a self-sustaining entity, must encompass all necessary expenses of administrative support services and equipment provided, including accounting, budget, personnel, legal support, other related services; and other such administrative and management services that are deemed appropriate and advantageous to the Forest Service. Additionally, the WCF programs must account for all operations and maintenance costs for facilities whose primary purpose is for a WCF program.

1. In general. Amounts received must be credited to and merged with the Fund, to remain available until expended, for operating costs and capital outlays of the Fund; provided that entity for which such services are performed shall be charged at rates, which will return in full all costs of providing such services. All costs including cost of equipment, depreciation of equipment and maintenance, salaries of appropriate personnel, facility cost, and so forth must be accounted for in the rate or price calculations.

2. Cost and capital requirements. The Regional Foresters, Station Directors, Area Director and the applicable Washington Office WCF Director(s) and/or WCF Program Manager shall determine the cost and capital requirements of the Program area Fund for each fiscal year and shall develop a plan concerning such requirements in consultation with the Chief Financial Officer, Albuquerque Service Center-Budget and Finance (ASC-B&F) staff. Any change to the cost and capital requirements of the Fund for a fiscal year must be approved by the Regional Foresters, Station Directors, Area Director and the applicable Washington Office WCF Director(s) and/or WCF respective Program Manager who shall establish rates to be charged to entities for which services are performed in accordance with the reporting and approved plan.

6580.13 – Application of Property Acts to Working Capital Fund

The provisions of the Federal Property and Administrative Services Act of 1949, as amended Public Law 81-152, apply to the acquisition, life cycle, and disposition of WCF property.

6580.14 – Application of Appropriation Acts to Working Capital Fund

The WCF must be subject to applicable limitations, restrictions, and provisions in annual appropriation acts. It also is subject to all laws and regulations that apply to the Forest Service (16 U.S.C. 579b).

6580.2 – Objectives

The Forest Service shall manage the WCF to provide efficient financial management of certain service and supply functions. Management of the WCF must:

1. Determine equitable rates and prices for goods and services of specified activities so that the WCF operates on a self-supporting basis and not for profit.
2. Assist current and future year financial planning by comparing actual revenues and outlays forecasted for the period.
3. Perform annual financial analysis of cost and program data to allow for making informed decisions; such as making decisions regarding the expenditures and operations of the WCF.
4. Preserve current capital investment for the recovery of increased costs due to inflation. Rates should be adjusted accordingly to ensure full recovery of costs for services provided.

5. Provide established criteria and business processes for the application, consideration, approval, and financing of authorized WCF related activities. Such criteria and business processes must be documented and made available to all involved with the WCF.

6580.3 – Policy

The following policies govern the management of the Forest Service working capital fund (WCF).

1. Accounting. Provide accounting for the fund in accordance with Federal Accounting Standards Advisory Board (FASAB) guidance. Financial statements must reflect full disclosure of assets, liabilities, and results of operations. Establish adequate controls over the fund, inventories, and other assets and resources. All related cost must be assigned to the WCF program, including the cost for facilities whose primary purpose is WCF, without regard to being captured in a separate Agency property or accounting system.

2. Availability of Service. When feasible, make the services financed by the fund available, as provided by law, to other Federal, State, and other sources, or to persons who cooperate with the Forest Service.

3. Fund Management Standard. The goal of a proper WCF fund management is, as a holding fund for indirect costs, to ensure each WCF program or unit is operating at a self-sustaining level. To accomplish this:

a. Planned operating fund levels for any WCF program should be based on expected total outlay for each fiscal year.

b. An annual analysis of the forecasted income, expenditures, and future cash outlays must be accomplished for each WCF program to identify on-going operating fund balance reserve amount. The methodology and calculations developed for all Forest Service specific percentages must be reliable, complete, applied consistently, and must withstand audit scrutiny. Additionally, the methodology must be documented and retained on file. The methodology is then documented and retained on file for 5 years (see FSH 6209.11, sec. 42, File Designation and Retention Periods). Under the revolving fund concept, these reimbursement funds are utilized to fund the actual cost of providing these services. The excess of this amount must be accounted for through expanded acquisitions as appropriate, or through rate adjustments.

c. Operating rates must be established and/or adjusted annually and sufficiently to recover the full cost (indirect and direct expenses), including the appropriate portion necessary for reserves of the related WCF program activity.

4. Direct Cost Pools. All the WCF programs will pay their respective actual cost of Workmen Compensation and Unemployment Compensation and all other cost with no cross charging between programs as these costs will be taken into consideration for WCF rate setting. Actual charges will be prorated to establish field job codes. Each WCF program activity must independently be self-sustaining. Rates established must ensure the expected inflow equates to the expected outflow to that unit only. There should not be any cross sharing of receipts or costs between WCF Programs.

5. Disposal of Property and Proceeds from Sale. Credit the fund with proceeds from the normal disposition of property in accordance with the Federal Property and Administration Services Act (40 U.S.C. 483). Dispose of any property that is ineligible for exchange/sale, and property no longer required for the program through the excess property procedures. Any proceeds from the sale of property must be deposited into the WCF.

6. Donation of Used Equipment. The established Agency authorized property management system related to WCF activities will be used to capture any donation of used equipment into the WCF. Property assets transferred into the WCF must have at least 60 percent of the useful life remaining and must be in good operating condition. These transactions must be approved in accordance with specific WCF program direction.

7. Fund Management. The applicable RSA/WCF Program Manager (PM) shall manage the WCF as one fund for each Region, Station, Area, and Institute, as applicable, according to their established priorities. Each WCF program area (for example, Fleet, Aircraft, Nursery, and Enterprise) must recover the actual cost of doing business and must bill only at rates approximately equal to the full cost of providing the service.

8. Reducing Excess Fund. There are three methods to reduce excess fund balances:

- a. Rate adjustments, which is the normal way to reduce excess fund balances, and
- b. Refunds, based on the rate adjustments determined above (see section 6380.3.8(1)), and
- c. Necessary upgrades, replacements, and required enhancement to service delivery.

9. Equipment Life Cycle. The equipment life cycle represents the minimum period of time that an item of equipment is estimated to be useful in service and the length of time over which the equipment will be depreciated, if Agency-owned property. If the equipment is leased, the replacement cycle or useful life will be as established in the lease agreement.

10. Reimbursement for Damages. Credit to the fund as other income any amount collected as a result of a Government claim for damage to a WCF asset.

11. Training. The Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or applicable WCF Program Manager in conjunction with Albuquerque Service Center-Budget & Finance, provides applicable training in regards to specific WCF policies and procedures to program areas as needed. At a minimum, the PM shall address any training needs identified in external audit reports and/or internal reviews. Follow the procedures in FSM 6141.1, Employee Development Requirements.

12. Upgrades and Buildup. Replacement upgrades of equipment may be funded by the WCF if there is sufficient fund balance in the WCF and approved by the Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Program Manager. If sufficient fund balances are not available, upgrades to the WCF equipment will be paid through the donation process by project (appropriated) funds.

6580.4 – Responsibility

6580.41 – Chief Financial Officer

It is the responsibility of the Chief Financial Officer (CFO) to ensure

1. Sound financial management policies, practices, and controls over the Agency WCF assigned to Forest Service.
2. The Agency adheres to established WCF authorities and regulations.
3. The completeness, quality, and integrity of WCF data in the Agency's database of record, core accounting system, and its subsidiary systems.

6580.42 – Director of Financial Policy

It is the responsibility of the Director of Financial Policy to:

1. Issue accounting standard and financial management policies and procedures governing Forest Service WCF financial matters, with the guidance of Federal Accounting Standards Advisory Board (FASAB), in accordance with statutory authorities, congressional intent, Appropriations Law, U.S. Treasury, and the Office of Management and Budget regulations related the WCF.
2. Develop new and/or revised posting models; periodically analyze existing ones for validity and use related to the WCF.
3. Serve as the principal advisor to the Chief, Deputy Chiefs, Chief Financial Officer, Washington Office Staff Directors, and Field Offices on Agency appropriation questions for the WCF.
4. Assist in the implementation of new accounting and financial management-related business processes for the WCF.

6580.43 – Director of Financial Management Systems

It is the responsibility of the Director of Financial Management Systems to:

1. Oversee all accounting relevant rules, regulations, and internal controls, and so forth with standard accounting practices, and directives and regulations of new or enhanced financial systems for the WCF.

2. Maintain and operate financial systems; participate in the maintenance and operation of all systems in use.
3. Document changes and modifications to financial and mixed systems and maintain records for 7 years (see FSH 6209.11, chapter 42-6000 records Management-GRS27-1).

6580.44 – Director of Acquisition Management

The Director of Acquisition Management (AQM) is responsible for ensuring WCF equipment is procured in compliance with Federal Acquisition Regulations and Federal Management Regulations. The Director of Acquisition Management is also responsible for ensuring that all disposals of WCF equipment are completed in Compliance with Property Disposal regulations.

6580.45 – Washington Office, Staff Directors

Applicable Washington Office Staff Directors shall be responsible for coordinating and providing oversight to their WCF program activity considerations with the Albuquerque Service Center-Budget and Finance (ASC-B&F) staff. Current staff areas involved, but not limited to, are as follows: The Directors of Engineering (Fleet Equipment), Forest Management (Nursery Operations and Seed Supply Activities), Fire and Aviation Management (Assistant Director of Aviation), Enterprise Program (Enterprise Activities), Law Enforcement and Investigation (R10 Aircraft), or other, as applicable.

6580.46 – Director of the Albuquerque Service Center-Budget and Finance

It is the responsibility of the Director, Albuquerque Service Center-Budget and Finance (ASC-B&F) to:

1. Implement ASC-B&F financial control systems for administrative, program, and operational activities and to provide reasonable assurance for those obligations.
2. Plan and direct all aspects of payment activities.
3. Establish and maintain adequate controls for all fund balance under their jurisdictions.
4. Establish and maintain a process for reviewing all requests for refunds of WCF funds.
5. Establish and maintain a process for reviewing annual budget estimates with the Regional Foresters; Station Directors; Area Director; and the applicable Washington Office WCF Director(s), and/or the WCF Program Manager, and the applicable Program Budget Directors. Enterprise units will prepare estimates for each project and will process in the form of a work order.
6. Assist in the development and implementation of new accounting and financial management-related business processes for the WCF program.
7. Assist in the enhancement and implementation of financial and mixed systems for WCF.

8. Review and coordinate with the CFO and appropriate Agency leadership, approval of Region, Station, and Area proposals for financing new activities from the fund and/or the removal of activities or sub-activities from the WCF program. Enterprise program activities will be reviewed and approved by the Deputy Chief of Business Operations.
9. Provide the day-to-day management and oversight of the WCF. This includes but is not limited to accounting, reporting, analysis, and rate calculation.
10. Recommend and coordinate with all other applicable Staff Directors, new and revised financial, accounting, and budgetary instructions and standards which support the WCF.
11. Oversee the preparation, coordination, and review of the annual fund analysis statement with Regional Foresters, Station Directors, and Area Director (RSA level) Enterprise Program Manager and perform necessary and on-going analysis to ensure the solvency and integrity of the fund.
12. Document and justify exceptions to the fund management standard.
13. Ensure that fund balances are reserved for future needs so that it is possible to replace assets while financing current operations.
14. Compile, analyze, and review financial reports, including special analyses, for the Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Program Manager/Enterprise Unit Leaders.
15. Collaborate with the appropriate WCF nation-wide management to calculate Fixed Ownership Rates (FOR) and Usage (USE) rates for each unit, as applicable.
16. Finalize the FOR and USE rates and make them available to each unit on a timely basis, as applicable.

6580.47 – Regions, Stations, Area, Institute, Job Corps, and Enterprise Unit Office

Each Regional Forester, Station Director, Area Director, Institute, and Job Corps Center Director is responsible for administering their WCF program, as well as collaborating with the Albuquerque Service Center-Budget and Finance to ensure the solvency of the WCF program.

1. The Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF program Director(s) and/or WCF Program Manager /Enterprise Unit Program Office/Enterprise Program Manager is responsible for:
 - a. Designating subject matter experts responsible for the program management and oversight of specific WCF activities.
 - b. Serving as the program authority for the working capital resources of the fund. This includes such items as the determination of asset useful life, economic replacement cycles, and economic source of services.

- c. Influencing the timing of income and expenditures when necessary in order to maintain the solvency of the fund.
 - d. Coordinating the various activities operated by the fund with ASC-B&F and AQM.
 - e. Ensuring that fund balances are reserved for future needs so that it is possible to replace assets when applicable while financing current operations.
 - f. Using estimates from units, subunits, and Regional Office staffs as a base to plan the financial needs of appropriate WCF activities, including the expenditure of funds.
 - g. Using input from program managers and working with ASC-B&F to determine rates and prices for the WCF activities.
 - h. Projected fiscal year fleet work plans must be completed by the Field for RSA Fleet Manager approval for the annual budget estimates.
 - i. Reviewing the WCF program activity financial reports and coordinating with ASC-B&F, pertaining to corrective actions.
 - j. Preparing proposals for financing new program activities from the fund and/or the removal of program activities or sub-activities from the WCF program. Coordinate the review and approval process with ASC-B&F except for the Enterprise Program.
 - k. Providing leadership and/or assist in special management studies that aim to improve the WCF operations.
 - l. Providing ASC-B&F, with the applicable program information to assist in the creation of rate setting and/or fund flow analysis.
 - m. Preparing and maintaining, at a minimum, a 5-year equipment replacement plan for each appropriate WCF equipment and forward to ASC-B&F, WCF.
 - n. Providing detailed direction on FOR or USE rates or any other applicable procedural information to their staff in order to ensure all activities that relate to the WCF is carried out as outlined in this policy.
2. The applicable Regional Foresters, Station Directors, Area Director, and the Washington Office WCF program Director(s) and/or WCF Program Manager is responsible for:
- a. Serving as the budget authority for the working capital resources of the fund.
 - b. Assisting in work plan preparation.
 - c. Monitoring regional WCF program fund balances and coordinating with ASC-B&F, regarding issues and deficits.

d. Approving availability of Regional program funds for purchases and approving the in-Service Authorizations form FS-6500-46 of project funds for the donations process to pay for additions and upgrades.

6580.5 – Definitions

Accountable Property. All capital leases and all owned personal property having an acquisition cost of \$5,000 or more, and any item valued at less than \$5,000, but determined to be sensitive (see FSH 6509.19, chapter 10, General Fund Personal Property).

Aircraft. The WCF Aircraft is a machine used for traveling through the atmosphere to support fire suppression activities such as Aerial Supervision Module (ASM), Lead plane, Smokejumper, transportation of fire personnel, transportation of fire cargo, helicopter operations, Airtanker operations, and imagery collection. These aircraft also support non-fire related activities including administrative passenger transport, aerial photography, wildlife management, and natural resource management

Appropriated Funds. Funds set aside by Congressional law for a specific purpose. Every appropriation contains limitations upon its availability; that is, Federal agencies may spend appropriated amounts only in accordance with the conditions that Congress has placed upon the appropriation. These conditions may be classified in three ways: purpose, time, and amount. Appropriation laws and Comptroller General Decisions provide authorities, direction, guidance, clarification, and/or prohibitions on the expenditure of appropriated funds for certain items.

Capitalized Property. Property that has an acquisition value of \$25,000 or higher (see FSH 6509.19, chapter 10, General Fund Personal Property).

Contributed Funds. A transfer of cash with consideration and for a specific project used in conjunction with the Cooperative Funds Act of June 30, 1914 (16 U.S.C. 498) and the Granger-Thye Act, as amended (FSH 6509.11g, chapter 70, Trust Funds) (see FSM 6510, Appropriation and Funds).

Depreciation. A rational and systematic method of allocating the cost of a capitalized asset over the asset's estimated useful life. The WCF uses a straight line depreciation model.

Donated Funds. The transfer of funds into the WCF to fund increase capacity of WCF programs.

Equipment Replacement Plan. Based on the useful life of assets, or as outlined in a related lease agreement create a plan for when each asset will be replaced with an estimated cost of the replacement asset at that period of time.

Fixed Cost. Fixed costs are expenses that have to be paid by the agency, independent of any business activity. It is one of the two components of the total cost of a good or service, along with variable cost.

Fixed Ownership Rate (FOR). A monthly rate is established to recover the fixed costs of using the WCF asset, which includes actual cost, purchase/lease, program management, costs to sell the asset, and increased replacement costs. Documentation must be maintained to support rate calculations of the FOR.

Fleet. One of the program areas that make up the WCF. The Forest Service WCF owns, operates, maintains, leases, and replaces fleet equipment. The “WCF fleet” includes all sizes of highway vehicles, specialized vehicles and apparatus for Fire and Law Enforcement, and heavy construction and specialized equipment such as crawler tractors, fire engines, graders, trailers, and boats. Fleet vehicles are groups of motor vehicles owned or leased by a business, government agency or other organization rather than by an individual or family.

Fleet Equipment Database (FED). The official system of record for Forest Service-owned and -leased fleet vehicles and equipment. A management tool used to document, monitor, and report mandatory asset level data (ALD) in the management of fleet assets.

Funds Analysis Statement. The study of the cycle of programs' fund inflows and outflows, with the purpose of maintaining adequate funds for the programs, and to provide the basis for funds management and sustainability of the program.

Indirect Cost Pools. The proportionate share of a unit's administrative expense of costs based on a percentage of direct labor FTEs for each unit. These costs are distributed to all WCF programs, except fleet and aircraft management.

<http://www.fs.fed.us/aboutus/budget/2015/FS15-FS-Budget-Justification.pdf>

Life Expectancy. The period which an asset is expected to operate with normal repairs and maintenance for the purpose it was acquired. This is used in calculating FOR rates and in developing replacement plans.

Nursery. A Nursery is a place where young plants and trees are grown for out-planting. It is also a place where plants are propagated and grown to usable size. The WCF Nurseries are primarily for the reforestation, habitat restoration, and conservation programs on National Forest System lands. The Forest Service existing WCF Nurseries also maintain and manage some level of Seed Program capability.

Outlay. The amount of fund and other working capital expended for the operation of the activities of the funds and for the acquisition of fixed assets such as equipment.

Project Equipment. Equipment that does not meet the WCF equipment criteria and has been obtained through purchase with appropriated funds or through the excess property. The operation, maintenance, and repairs of project equipment are the responsibility of appropriated funds and all history and cost records, to the same standards and format as

the WCF equipment as required in for example the FSM 7130, Fleet Equipment Management Manual and FSH 7109.19, Fleet Equipment Management Handbook.

Program Management (PM). The necessary costs associated with the management of a program such as, but not limited to salary, travel, training, and any other expenses that may be properly charged to the WCF in accordance with appropriations law.

Project Funds. Funds set aside for specific projects that can be donated into WCF (to pay for additions and upgrades) to charge expenditures and fund a project on the basis of the Work Financing Principle.

Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Program Manager. These positions include the Regional Foresters, Station Directors, Area Director, and the applicable Washington Office Director/WCF Program Manager, RSA Fleet Program Manager, Regional Aviation Manager, Nursery Manager, and Enterprise Lead.

Residual/Salvage Value. The estimated expected amount to be received for sale at the end of an asset useful life. It is sometimes referred to as disposal value, residual value, terminal value, or scrap value.

Revolving Fund Account. Accounts authorized by specific provisions of law to finance a continuing cycle of business-type operations.

Seed Extractory. A seed extractory is a seed cleaning and storage facility that serves reforestation, restoration, and genetic conservation seed needs. Seed extractory facilities (whether as stand-alone Seed Extractory facilities, or Seed Extractory facilities within a WCF Nursery) carry out the WCF Seed Program work.

Unit. A unit can be considered any Forest, Grassland or any Research Station within the Forest Service.

Use Rate (USE). A rate charged, for the use of a WCF asset to a program that is using a WCF asset. The Use Rate recovers the costs of operating and maintaining WCF assets.

Variable cost. Variable cost are expense that varies with production output. Variable costs varies depending on the production volume; they increase with increased utilization of the equipment as production increases and fall as production decreases.

Working Capital Fund (WCF) Owned Equipment. Equipment and all like vehicles in the WCF where a class or category has been established, the acquisition cost is greater than or equal to \$5000, and the life expectancy is great than 2 years.

Working Capital Fund (WCF) Property Management System. The application is used to create and track working capital fund assets, (USE rates, FOR), operational, and maintenance costs.

Work Financing Principle. This focuses on the landscape scale resource accomplishments to be achieved, select fund(s) and program(s) to finance resource work by following direction in the respective fiscal year Appropriations Act (or Continuing Resolution or Supplemental Appropriation Act), and guidance in the Program Direction and Budget Justification. Emphasis is on achieving ecological restoration, and integrating programs to include components of cross-Deputy Area programs where required. It takes a holistic approach to all management activities to maximize the use of funds and partnerships and work effectively at a landscape scale, in accordance with Appropriations Law.

6581 – Fund Establishment

6581.1 – Inclusion of Qualified Programs

The WCF may be used to operate and provide funding for all Agency-wide activities which qualify under the WCF program authority (in accordance with the Office of Management and Budget, Circular A-76, Performance of Commercial Activities. See 6581.2 below.)

6581.2 – Evaluation of Proposed Program Activities

Criteria. Any program activities proposed for financing from the WCF must meet all of the following criteria:

1. Serve a number of Forest Service programs (Service-wide Applicability). An activity that devotes most of its resources to the service of one program, with little or no service to other Forest Service programs; does not qualify for financing through the WCF. The program activity must be equally applicable to the WCF operation Agency-wide.
2. Must be individually and independently self-sustaining as a WCF program activity.
3. Improvement in Operations. Financing of a program activity under the WCF must lead to improved efficiency and effectiveness of the Agency-wide operations.
4. Seasonal Nature of Program Activity. Ideally, a WCF program activity must be in operation year-round maintaining continued services for key Agency-wide activities.

6582 – Approvals

6582.1 – Department

The Secretary of Agriculture approved the establishment of the Forest Service WCF. See section 6580.1 and 16 U.S.C. § 579b, and Section 13.

6582.2 – Washington Office

The Chief Financial Officer shall review and approve the establishment of an additional WCF program or the closing out of an existing WCF program.
Currently, approved programs are the:

1. Fleet Equipment Program.
2. Aircraft Program.
3. Seed Program.
4. Nursery Program.
5. Enterprise Program.

6582.3 – Requests for Approval

Washington Office Staff Directors, including that of the Enterprise Program, will coordinate as necessary to submit written request proposals to the CFO, for the establishment of new WCF program activity. The request should contain adequate justification and/or support for the particular program activity to be included in the WCF: see section 6581.2 of this directive.

6582.4 – Removal of Program or Facility

To remove program activities from the WCF, the same procedures apply as in requests for new programs. Proposals must state clearly the reasons for removal from the WCF financing. Generally, these reasons must indicate that the program activity no longer meets the criteria enumerated in section 6581.2 of this directive. If the closing of a program activity results in a retained earnings surplus, transfer the balance to the remaining WCF program(s) that most clearly serves the same purpose (appropriations) as the closed program activity. If this is not clearly evident, prorate the surplus to all remaining activities on the basis of the related WCF program activity.

6583 – Financial Management

6583.1 – Financial Planning

At each level of responsibility, the operation and management of the WCF are on a full cost basis. The Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Program Manager/Enterprise Program Managers Unit Leaders in conjunction with the Regional Budget Director or their representative (that is Budget Officer), as applicable, manages and controls program outlays. Good financial planning leads to the proper pricing of goods and services as it gives full recognition to the costs that occur in any accounting period.

The Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s), and/or WCF Program Manager/Enterprise Unit Leaders shall develop WCF financial plans with Budget Officers, as part of developing regular work plans for program activities. The prices and rates developed for the WCF goods and services are vital in program planning. The volume of goods and services, which the WCF must furnish to the program activities, is just as vital in the WCF planning. All financial plans should be determined annually

for the work to be accomplished during the current and out-year fiscal years, in conjunction with Agency strategic plans and subject to Agency program and funding approval.

6583.2 – Funds Analysis

To maintain an adequate fund balance in each WCF fund, the Regional Foresters, Station Directors, Area Director and the applicable Washington Office WCF Director(s) and/or WCF Program Manager/Enterprise Program Office/Enterprise Unit Leaders in conjunction with ASC-B&F, WCF staff should provide oversight of the fund balance and perform a fund analysis at least once a year. The methodology and calculations developed for all Forest Service specific percentages must be reliable, complete, applied consistently, and must withstand audit scrutiny. Additionally, the methodology must be documented and retained on file (see sec. 6580.3, para. 3b). Under the revolving fund concept, these reimbursement funds are utilized to fund the actual cost of providing these services. This fund analysis should compare the Total Projected Fund Resources for the fund with the Total Project Fund Outlays for the fund. This is to ensure the fund balance at the beginning of each year is sufficient and the rates developed are adequate and do not create excessive fund balances or shortages. A fund may exceed the maximum level if it can be demonstrated that the fund balances are for planned outlays for equipment purchase or extraordinary maintenance in the immediate future.

6583.3 – Outlay

To maintain the solvency of the fund, the ASC-B&F and the Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Program Manager shall reduce outlays that may be in excess of estimates and coordinate any necessary corrective action.

6583.4 – Revenue

To maintain the solvency of the fund, the Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Program Manager shall ensure that all revenue is collected in a timely manner and that all expenditures are recorded and matched against revenue within the normal agency business cycle, normally every 30 days, quarterly, and at year-end in preparation for Agency financial statements.

6584 – Working Capital Fund Asset Acquisition

Initially appropriation funds or seed money is used to start up a WCF program. As a rule, all WCF assets are normally acquired using WCF funding. Assets may also be donated to the WCF.

In the event that an Organization or applicable Program Manager request equipment for use on the unit, the resulting FOR or the USE rates that the unit pays does not create or continue any financial interest in the asset by that unit. The FOR and USE is a fee for having the asset available for use; it does not purchase an interest in the asset regardless of the length of the assignment.

6584.1 – Financing Acquisitions through the Working Capital Fund

An equipment replacement plan is a basis for ascertaining the difference between the anticipated replacement costs and the recorded costs of equipment.

Intended equipment for replacement, must remain in service for its entire minimum useful life or until the FOR has been fully collected before the item can be subsequently replaced. Use the WCF fund balances, if available, for funding adequate replacement (purchased or leasing) of any WCF supply services and equipment to include those for a program's specific use.

An exception to this policy of financing replacements from the WCF occurs when vehicles or equipment are lost through abnormal hazards or unforeseen circumstances. Examples are losses by fire, flood, vandalism, landslide, hail storms, accidents or any extraordinary maintenance or repairs. In the case of total loss under these conditions, charge the undepreciated value, less any sales income, to the responsible project appropriation or responsible third party.

6584.2 – Criteria for Financing of Additional Capacity

To finance additional capacity, the following conditions must apply and related funds used must follow appropriation law (31 U.S.C 1301, 31 U.S.C. 1342 and 31U.S.C. 3302).

1. A general increase in workload is expected in a program and the expectation is that the new level will continue for several years.
2. Minor expansion of a single existing program or new program and the expectation is that the new program level will continue for several years.
3. A major expansion of an existing program or a major program that requires equipment for a relatively short period, generally a year or less, when unit plans show that other programs will use this equipment when the original need lapses.

6584.3 – Acquisition of Replacement Assets by the WCF

Use the WCF to finance the replacement of equipment that is currently in the WCF program. Generally, asset replacements are on a one-for-one basis and of the same kind. There may be instances, however, where one piece of equipment might replace two or more pieces of equipment. Conversely, there may be instances where more than one piece of equipment might replace a single piece of equipment. Program needs, not the kind of equipment, must dictate the kind of replacements. The WCF funds for replacement are generated in two ways:

1. Fixed Ownership Rate (FOR). An objective of the FOR is to accumulate sufficient fund balances to adequately maintain or replace the existing supply and equipment services provided by the WCF. The FOR accumulates some additional replacement funds by the inclusion of an increased replacement Cost (IRC) factor in the FOR to:
 - a. Recover the cost of replacement.

- b. Provide for the economic rise in the costs of replacement equipment, and
 - c. Ensure that, in accordance with the replacement plan, the necessary fund balances are available to pay for supply and/or equipment services liabilities when they become due.
 - d. Provide for Program Management of WCF program activity.
2. Sales Proceeds. Proceeds from the sale of WCF assets may be used to finance the replacement cost. Excess proceeds may be used to reduce the FOR and USE rates, when related equipment is no longer needed, for the acquisition of deferred vehicles and equipment, and can sometimes be used to reduce costs on some WCF programs “Except as otherwise authorized by law, all exchange allowances or proceeds of sale will be available during the fiscal year in which the property was exchanged or sold and for one fiscal year thereafter for the purchase of replacement property.” Any proceeds of sale not applied to replacement purchases during this time must be deposited in the U.S. Treasury as miscellaneous receipts (41 CFR102-39.80). The proceeds from the sale of any equipment would be used for the appropriate WCF program.

6584.4 – Acquisition of Assets for Increased Capacity in WCF Programs

Assets acquired for new or increased capacity in the WCF programs are financed by appropriated/seed funds or donations/transfers. Any portion of such donation may also be used to assist in program financing. The Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Program Manager determines if the purchase of this additional equipment is the best use of the WCF funds.

The general criteria for inclusion of donated asset into the WCF program are as follows:

- 1. Must follow the Accountable and Capitalized Property policies in FSM 6410, Personal Property Management.
- 2. Equipment must not be acquired only for use on special projects or short-term (less than 2-years) projects.
- 3. The equipment is determined to have at least 60 percent of its useful life remaining, requires minimal repairs to be brought into a safe and serviceable condition, and must be cost effective.
- 4. When WCF is used to replace the equipment, replacement of the equipment must be:
 - a. With an identical or similar item of equipment in the same WCF program.
 - b. On a planned (known) basis, such as replacement plan.

6584.5 – Acquisition of Excess Equipment

All acquisition of excess equipment must be approved, in advance, in accordance with specific WCF program direction. The general criterion for inclusion into the WCF listed in section 6584.4 must be followed. If excess equipment is acquired as a replacement, pay the initial purchase, transportation, and servicing costs from the WCF. Unless prohibited or restricted by statute or contract, interest will be charged on any outstanding payment. See FSH 6509.11k, chapter 30, Collections, section 30.1, Authority. If excess equipment is acquired as a donation, include all costs from program funds unless surplus WCF fund balances are available.

6584.6 – Acquisition of Upgrades to Equipment

All acquisition of upgrades to equipment services (for example, the Fleet Program) must be approved, in advance, in accordance with specific WCF program direction.

6584.7 – Acquisition of Special Equipment

When there are special devices and tools attached to the multi-purpose type asset, and these devices or tools are necessary only for a specific program, that specific program pays for the devices or tools. If the installation of the device on the asset is permanent, only upon written approval by the Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Program Manager, the installation may be completed and the project will finance the work from appropriated funds. Use the WCF to recover and pay for the replacement of such devices when replacing the asset.

6585 – Disposal of WCF Assets

When disposing of a WCF asset, personal property policies must be followed as outlined in FSM 6410, Personal Property Management. Any proceeds from the sale of WCF asset must be deposited in the proper WCF account and used for replacement costs. If the WCF asset is disposed of prior to the end of the estimated useful life, remaining replacement costs are to be funded by the appropriate project funds or responsible third party; exceptions must be documented and approved by the Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Program Manager in accordance with FS policies.

Dispose of any excess products in accordance with established property disposal laws and regulations. Credit the proceeds from the sale of surplus WCF products to the appropriate WCF income account.

6586 – Working Capital Fund Programs

6586.1 – Fleet Equipment Program

The WCF Fleet and Equipment Management Program purchases or leases, operates, and replaces equipment on a planned basis, and then makes the equipment available to Forest Service programs (see FSM 7130). The purpose of this service is to provide efficient and effective fleet

equipment in a safe mechanical condition at a reasonable rate to the Forest Service programs. As defined, the WCF Fleet equipment that is leased or owned and operated by Forest Service and meets all the WCF Fleet criteria as outlined below.

The general criteria for inclusion of fleet asset/equipment in WCF is as follows:

1. Financing for the operation of the equipment is from appropriations.
2. Equipment has a regular use pattern, not held only for special or short term projects.
3. The equipment requires annual maintenance, including inspections and preventive maintenance as appropriate.
4. The quantity of equipment is sufficient to require WCF management, or the quantity is small but acquisition costs and program management workload are high and will be better managed at a centralized level.
5. Replacement of fleet vehicles and equipment must be:
 - a. By an identical or similar item of equipment.
 - b. On a planned (known) basis unless under emergency situations.
6. Centralized program management time is necessary for optimum management and utilization.
7. The acquisition cost is greater than or equal to \$5,000.
8. The life expectancy is greater than 2-years.
9. Include all like vehicles, ATVs, UTVs, trailers and equipment in the WCF if an equipment class or category has been established for it.

Any Assets vehicles or equipment not meeting the above criteria, usually special purpose types, must only be leased, acquired, operated, and maintained at the expense of an individual project or group of projects, and may be classified as project equipment funded with appropriation funds only. Specialized nursery program vehicles and equipment may be managed in the WCF Nursery program. The lease, purchase, or acquisition of this equipment must only be authorized with the written approval of the Regional Foresters, Station Directors, and Area Director (RSA Level) Director of Engineering or equivalent. Any modification to this equipment must be approved by the Regional Director of Engineering. Approval of project equipment must be granted only after preparing an economic analysis that justifies acquisition over alternative methods and if it meets the following criteria on an individual item basis:

1. The use of the item is justified as needed on an intermittent basis and is not subject to a predictable utilization pattern, typically for a period of less than 2-years.
2. The item will not be replaced in kind or with a similar type.

Program Managers shall maintain project equipment, along with asset history folders and cost records, to the same standards and format as the WCF equipment as required in FSM 7130, Fleet Equipment Management Manual and FSH 7109.19, Fleet Equipment Management Handbook.

6586.12 – Fleet Equipment-Rate Development

Each Region, Station, Area, and Institute that independently finances its WCF fleet is responsible for its rate development and must work with ASC-B&F, WCF staff to develop these equipment rates. The fleet owned and lease service uses a dual rate system designed to recover the full cost of operation, maintenance, replacement, and management of the Forest Service WCF fleet. The rate system consists of a Use Rate per unit of use (mile, day, and hour) and a monthly fixed ownership rate (FOR). The combination of these rates reflects total costs of ownership for each class of equipment operated by the WCF. These established rates must be reviewed annually for adjustments. Any proposed changes to established rates during a fiscal year must receive prior approval by the ASC-B&F with oversight of the applicable Directors. The approval request must contain the financial support that justifies the interim rate adjustment. All costs must be accounted for and reflected in the WCF rates.

6586.13 – Fleet Equipment Use Rate

The purpose of the fleet equipment USE rate is to recover the total full variable costs associated with the operation of fleet vehicles and equipment, including operations and maintenance expenses. Field units are required to record utilization (miles, hours, days) into the WCF system of record on a monthly basis so WCF revenue and appropriated fund expenses are captured in a timely manner.

6586.14 – Fleet Fixed Ownership Rate

The monthly Fixed Ownership Rate (FOR) rates cover replacement costs, fleet program management, fleet management/maintenance, sales costs, workmen's compensation, and fleet management/maintenance unemployment and administrative costs. Field units are required to budget and collect appropriate monthly FOR for vehicles and equipment throughout the life cycle of the asset. WCF-owned vehicles and equipment that have been replaced (that is, summer fleet or holdovers) are required to collect a minimum of 4 months of FOR annually.

6586.15 – Budgeting and Financial Planning System (Work Plan)

1. Use Rate Budgeting Principles and Procedures. Unit Line Officers request WCF-owned equipment for use in carrying out their programs of work. Budget estimates are calculated by using the estimated mileage/hour planned multiplied by the Use Rate for each equipment class.
2. Fixed Ownership Rate Budgeting Principles and Procedures. Unit Line Officers plan the fixed cost of equipment ownership to the program requiring the availability of the equipment under the primary purpose budgeting concept. These budget estimates are recorded in the Work Plan System for budgeting and planning purposes.

3. WCF Program Management Principles and Procedures. Project work plans are required for the WCF Fleet program are to include only direct costs specifically identified with the delivery of the WCF Fleet program. Full costs include expenses associated with employees working directly on the production of a WCF Fleet output and the WCF Fleet program management activity.

Work Plans must be completed and approved by the Washington Office National Fleet Manager and/or RSA Fleet Manager to ensure planned WCF fleet expenses are meeting WCF related program activity ensuring rates and expenses are following ASC-B&F procedures.

6586.16 – Fleet Equipment Assignments, Release, and Transfers

The first unit to use a vehicle or piece of equipment in a given month must pay the applicable FOR for the entire month. This applies whether the first unit retains the fleet equipment for a partial or the entire month. Therefore only one monthly FOR charge must apply to one fleet vehicle or piece of equipment at a time regardless of the number of users. However, each user will pay the applicable USE rates depending on the length of use by that unit in a given month.

6586.17 – Fleet Acquisitions

The Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Fleet Program Manager will approve all acquisitions (for example, purchase, lease, or donation) of fleet equipment. Any modification to this equipment requires the approval of the Regional Director of Engineering. This includes upgrades to vehicles, equipment, and assets obtained from excess.

6586.18 – Receipt of Transferred-in or Donated Fleet Equipment

Transferred-in or donated fleet equipment must be inspected and approved by the Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Fleet Program Manager, in advance. All costs of acquiring this vehicle and piece of equipment from surplus or donated sources, to include modifying them to Forest Service requirements are to be capitalized. These costs include for example:

1. Salary and travel to pick up and ferry equipment to its duty station.
2. Fleet-Painting and upholstery.
3. Radio repair and installation of new radios.
4. Fleet-Tires and tubes.
5. Testing and inspections of equipment by a journey-level mechanic.
6. Overhaul and repair of equipment.

6586.2 – Aircraft Program

All Forest Service-owned aircraft, not leased or rented aircraft, meeting the capitalization threshold and useful life as defined in the Financial Management regulation (FMR), must be managed in the WCF Aircraft program. Financial planning for the Aircraft program requires coordination among appropriate staff including but not limited to Fire and Aviation Management (FAM) National Headquarters; aircraft users; and ASC-B&F, WCF Property staff.

The Forest Service has a WCF Aircraft User Guide, jointly approved by the Deputy Chief of State and Private Forestry and the Chief Financial Officer, which gives direction for the detailed management of Forest Service WCF Aircraft program. The WCF User Guide is available on the ASC-B&F's website at <http://fsweb.asc.fs.fed.us/bfm/programs/financial-operations/property-wcf/wcf/aircraft-policies-procedures.php> and the FAM website at www.fs.fed.us/fire/aviation/. FSM 5700 and FSH 5709.16 contain additional policy direction for Forest Service WCF Aircraft program.

6586.21 – Aircraft Rental Rate Development

To finance all costs related to the WCF Aircraft program to include maintenance, repairs, improvements, and the operation of real property assets such as runways/taxiways, aircraft hangars, fuel transfer infrastructure, expansion of infrastructure, leasing infrastructure, partnership agreements, all costs must be accounted for and reflected in the WCF rates. FOR (fixed managerial cost, direct labor, and travel, depreciation expenses) charged monthly to the hosting unit's job code and USE (variable costs) is charged to the customer or project for which the aircraft is used. See sec. 6586.15, Budgeting and Financial Planning System (Work Plan).

6586.22 – Purchase of Aircraft

All costs of purchasing an aircraft are financed by the Washington Office, Fire and Aviation Management (FAM), from existing WCF funds, project funds, or a combination thereof. All Project and/or donated funds must be transferred into the WCF fund prior to the purchase being made. Include all costs of ferrying the aircraft to its duty station, including pilot's travel to the delivery point, flight time from delivery point, and any modifications made to the aircraft before it is placed in service.

6586.23 – Receipt of Transferred-in or Donated Aircraft

Transferred-in or donated aircraft is to be approved by the Washington Office, FAM, in advance. All costs of acquiring aircraft from surplus or donated sources and modifying them to Forest Service requirements are to be capitalized. These costs include for example:

1. Pilot's salary and travel to pick up and ferry aircraft to its duty station.
2. Flight time to home base.
3. Painting and upholstering.

4. Radio repair and installation of new radios.
5. Tires and tubes.
6. Testing and inspections.
7. Overhaul and repair of engines, propeller, or airframe.

In addition, the fair market value of the aircraft upon placement in service must be captured in the applicable WCF aircraft property account, as a donated item. Any additional acquisition costs, together with the donated value, becomes the total capitalized value of the acquired aircraft. This capitalized value is depreciated over the life-cycle of the aircraft (20 years) or the remaining service life of the aircraft if less than 20 years. Leased aircraft are handled outside the WCF.

6586.24 – Upgrading of Aircraft

Upgrades consist of additions, alterations, betterments, rehabilitations, or replacement of components where they significantly extend the aircraft's useful life or its ability to provide service. All significant upgrades over the Agency established property threshold must be approved by the Washington Office, FAM, in advance.

Total cost that does not meet the Agency established property threshold amount for capitalization must be expensed to the WCF maintenance job codes. Charges must not be split. Some examples of upgrades are:

1. Modifications to enable the use of mapping (scanners or cameras);
2. Modification of instrumentation, engines, or airframe, including landing gear to provide greater safety, utility, or to fill a specialized need;
3. Safety devices such as built-in fire extinguishers and fire detectors;
4. Superchargers and higher powered engines; and
5. New radio or electronic equipment to provide greater safety, or allow access to certain airports.

All upgrades must be funded through the WCF; this ensures accurate asset costs are accounted for in the required WCF Property Management System. Program staffs may donate Project funds to the WCF for this purpose; however, funds must be donated in advance of the expenditures from WCF.

6586.25 – Removal of Aircraft from the WCF Program

Remove aircraft destroyed by accident, sold, excess, donated, or dismantled for parts by processing form FS-6500-61, Fleet Equipment and Aircraft (Accountability and Data Record). The Washington Office, FAM, must approve the removal before the action is taken. The Agency property database must reflect this removal of the WCF asset.

6586.3 – Seed Program

The Seed Program provides seed for direct seeding or for sowing in nurseries for the production of the tree, shrub, forb, or grass seedlings.

6586.31 – Seed Program Work

Program work includes the purchase or collection of cones; extraction of seed from conifer cones; processing seed from deciduous trees, shrubs, forbs, grasses, and grass-like plants; cleaning and germination testing of seed; storing seed; and seed delivery. This program is operated in conjunction with WCF Nurseries or in stand-alone Seed Extractories.

6586.4 – Nursery Program

The WCF Nursery program operates facilities for the production of bareroot and container planting stock to support the Forest Service's commitment to restoring and enhancing the Nation's forests and grasslands. The WCF Nursery work includes bareroot or container seedling production and delivery of seedlings to the requesting units.

6586.41 – General Management

1. Established Nurseries. The established Nursery program meets the criteria for operation under the WCF unless there is specific authorization to the contrary. Please refer to section 6581.2 in FSM 6580 for the WCF criteria.
2. Expansion for Existing Production. Finance all costs related to WCF Nursery program expansion of cultivated area or facilities at existing nurseries using WCF reserves, appropriated or other funds followed by funds transfer into the WCF. Use WCF funds reserves, appropriated or project funds to finance operating costs related to the expansion of production levels, including increased production costs resulting from changes in quality standards. These costs must be captured into the WCF program account to ensure completeness in WCF accounting and reporting for the Nursery program. Plan for this work far enough in advance to allow for appropriate Washington Office and Regional Office approval and the necessary appropriation and allocation of funds.
3. Plant Production Cost. Costs necessary for the operation of nurseries currently capitalized within the WCF must be financed by the WCF. However, if increased operating costs are incurred as a result of the addition of new or expanded capacity, those increased costs must be paid with funds reserve in the WCF, appropriated and/or project funds. K-V funds (Knutson-Vandenberg Act of 1930, these are funds collected from the timber sale purchaser to do reforestation and other resources improvement work within the timber sale area) could also be used when appropriate (see FSH 2409.19 and FSH 6509.11g, chapter 70, Trust Funds). These costs must be rolled back into the WCF program account to ensure completeness in WCF accounting and reporting for the Nursery program.

- a. New Capacity. Use appropriated funds or donated/transfer funds to finance all seedling and plant production operating costs at existing nurseries up to the fiscal year in which stock is sold. Before lifting nursery stock, capitalize the seedlings in the WCF.
- b. Expanded Capacity. Use appropriated/seed or donated/transfer funds to finance any increase in plant production as a consequence of an expansion of cultivated areas. Also, use appropriated funds to finance increased operating costs resulting from the exchange in quality standards. The WCF, rather than appropriated funds, may finance increases in the number of seedlings being produced (physical inventory) as long as sufficient working capital fund is available, and the financing does not create a deficit. Generally, expansion of plant production is funded by appropriated funds. It is also necessary, however, to recognize other types of expansion, such as the investment in planting stock that results from carrying this material such as seedling or transplants over to age classes that are older than originally planned. If these changes in practice require additional working capital, use appropriated funds.
- c. Other Projects. Use appropriated funds or donated/transfer funds to finance the cost of other work at the WCF nurseries that does not benefit the WCF nursery such as research projects, administrative studies, and interpretive plantings. Use the WCF to finance any WCF Nursery operations in accordance with the Work Financing principle (see definition FSH 6509.11g, Zero Code).
- d. In reference to a, b and c above, all these costs must be rolled back into the WCF program account to ensure completeness in WCF accounting and reporting for the Nursery program.

6586.42 – Nursery Rate Development, Fund Analysis, and Management

All costs including cost of nursery equipment, depreciation of equipment and maintenance, salaries of appropriate personnel, seed sowing, seedling lifting, seedling packing, and transportation of seedling must be accounted for in Nursery rate calculations. These costs are to include; repairs, maintenance, improvements, utilities, janitorial, leasing costs and any other costs required to manage the WCF asset. All related cost must be assigned to the WCF program, including the cost for facilities whose primary purpose is WCF, without regard to being captured in a separate agency property or accounting system. WCFs are not to be operated in a profit making mode and each authorized program activity must be self-sustaining.

6586.43 – Sale, Exchange, and Purchase of Nursery Products

The Granger-Thye Act of 1950 specifies the conditions under which the Secretary of Agriculture may sell or exchange “forest-tree seed and nursery stock” to States and their political subdivisions and to public agencies of other countries. The Granger-Thye Act specifically prohibits the sale or exchange of nursery stock “...as ornamental or other stock for landscape planting of the types commonly grown by established commercial nursery (managers)”. Agency policy changes since 2000, have authorized Nursery facilities to grow containerized tree seedlings and native plant materials (shrubs, grasses, sedges, and other herbaceous vegetation) to

meet forest management, wildlife and fisheries habitat management, watershed restoration, and range management goals and objectives for our Agency and other public agencies and partners (see FSM 1580.12 and FSH 1509.11, Grants).

6586.43a – Sale of Nursery Products to Forest Service Units

Ordering units must pay the WCF Nursery program for seedlings upon delivery. Ordering units that fail to utilize all of the available seedlings they originally requested shall reimburse the nursery for all costs incurred in the unused planting stock.

6586.43b – Sales to and Exchanges with Public Agencies and Other Customers

Appropriate agreements must cover the sale, exchange, and/or disposition of nursery products between Forest Service WCF Nursery programs and any other Nursery agents or customers (see FSH 1509.11, Grants and Agreements Handbook).

Sales must reflect current selling prices and must recoup full costs as required by Forest Service WCF rules and regulations. Production for other agencies must be on a space availability basis as authorized by regulations and must not cause the expenditure of Forest Service appropriated funds for nursery expansion.

6586.43c – Receipt of Transferred-in or Donated Nursery Equipment

Transferred-in or donated Nursery equipment is to be approved by the Regional Foresters, Station Directors, Area Director, and the applicable Washington Office WCF Director(s) and/or WCF Fleet Program Manager, in advance. All costs of acquiring these vehicles and pieces of equipment from surplus or donated sources, to include modifying them to Forest Service requirements are to be capitalized. These costs include testing and inspections.

6586.5 – Enterprise Program

The purpose of the WCF Enterprise program is to provide a workforce to the Forest Service with specific program skills and technical expertise in specific individual programs. The WCF Enterprise program operates with work orders between FS entities and could also enter into a reimbursable agreement with limited external Federal Agencies. The WCF Enterprise program, like other WCF programs, charges a rate designed to recover full costs. Rates must be adjusted annually and are sufficient to recover all cost (indirect and direct expenses) as it relates to any WCF program.

The Enterprise Program has a strategic plan, a document entitled Enterprise Program Framework, and individual Enterprise Unit Business Plans. In combination, they provide specific program guidance. Most of these documents may be accessed at <http://fsweb.wo.fs.fed.us/enterprise-program/program-review/>.