

**Forest Service Handbook
Service Wide (WO)
Washington, DC**

Forest Service Handbook 2409.19 – Renewable Resources Handbook

Chapter 90 – Budget and Finance Procedures for Permanent and Trust Funds

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Superseded Directive: Budget and Finance Procedures For K-V, Bd, and Ssf Collections, 2409.19-2009-2.

Approved by: Christopher French, Deputy Chief National Forest System.

Date approved: May 28, 2024

Responsible Staff: Forest Management, Rangelands Management, and Vegetation Ecology (FMRMVE)

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

Chapter 90: Throughout the chapter recodes, reformats, and organizes direction. Replaces K-V (Knutson-Vandenberg fund) with CWKV (Cooperative Work, Knutson-Vandenberg, Sale Area Projects). Also replaces any references to ATSA (Automated Timber Sale Accounting) with FPFS (Forest Products Financial System).

Chapter 90: Chapter title was updated to reflect the inclusion of Permanent and Trust Funds and not limit the scope to just CWKV, Salvage Sale Funds, and Brush Disposal Funds

Sections 90.1 – 90.5: Establishes code, caption, and sets forth direction for Authority, Objective, Policy, Responsibility, and Definition sections, previously set out in the Zero Code.

Sections 91 – 95: Establishes codes, captions, and sets forth direction that was previously in sections 90.1 - 90.5 respectively.

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90.1 - Authority

1. Comptroller General Decision B-67619, dated December 3, 1947, authorizes the payment of indirect costs (overhead, program management, and support services) from Knutson – Vandenberg (CWKV) funds.
2. See 20.1 for authority regarding the Cooperative Work Knutson-Vandenberg Regional Projects (CWK2) program.
3. See 40.1 for authority regarding the Brush Disposal (BD) program.
4. See 50.1 for authority regarding the Timber Sale Pipeline Restoration Fund program.
5. See 70.1 for authority regarding the Salvage Sale (SSF) Program.

90.2 - Objectives

1. See 10.2 for objectives of the CWKV program.
2. See 20.2 for objectives of the CWK2 program.
3. See 40.2 for objectives of the Brush Disposal program.
4. See 50.2 for objectives of the Timber Sale Pipeline Restoration Fund program.
5. See 70.2 for objectives of the Salvage Sale Program.

90.3 - Policy

1. The proper use and management of CWKV funds must be assessed as a normal part of Regional and Forest renewable resource program and activity reviews.
2. The CWKV fund may be used for payment of program support which includes indirect costs (Comptroller General Decision B-67619, December 3, 1947). The only circumstances under which excess CWKV balances may not be returned to the U.S. Treasury are when any one of the two following situations exist and exceptions have been approved in writing by the Chief (sec. 10.411):
 - a. When excess CWKV balances are transferred from the CWKV appropriation to another appropriation under authority of 7 U.S.C. 2257 (Interchangeability of funds for miscellaneous expenses and general expenses).
 - b. When excess CWKV fund balances have been advanced for emergency fire-fighting purposes under authority of 16 U.S.C. 556d or when excess funds have been

transferred for emergency firefighting purposes under the authority of the relevant year's appropriation act.

3. See 20.3 for policy regarding the CWK2 program.
4. See 40.3 for policy regarding the Brush Disposal program.
5. See 50.3 for policy regarding the Timber Sale Pipeline Restoration Fund program.
6. See 70.3 for policy regarding the Salvage Sale Program.

90.4 - Responsibility

90.41 - Chief

The Chief reserves the authority to:

1. Set the minimum rate for the deposit to the National Forest Fund in any sale, except on qualified salvage sales.
2. Determine when excess permanent and trust funds should be retained rather than returned to the U.S. Treasury.

90.42 Washington Office, Director of Forest Management

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

1. Review regional annual balance analyses and conduct national balance analyses for CWKV, BD, and SSF.
2. Review annual regional Timber Sale Pipeline Restoration Fund (TSPRF) reports to determine the need for transfers between regions.
3. Annually develop a report by March 31 to convey TSPRF accomplishments and future plans with Congress.
4. Annually develop a report on the status of the Salvage Sale Fund to share with Regional Foresters.
5. Coordinate with Strategic Planning, Budget and Accountability (SPBA) on apportionment authority for CWKV, BD, SSF, and TSPRF.
6. Assure that the total budget request for Washington Office (travel, training, supplies and salary) does not result in the need to increase the National Program Support rate.

1. Monitor cash balances and the sustainability of the CWKV, BD, SSF and TSPRF programs.
2. Assess the CWKV collections for use outside the sale area and continue to provide direction for the accounting and implementation of this program.

90.43 Albuquerque Service Center, Budget and Finance

The responsibility of the Albuquerque Service Center (ASC) is to:

1. Annually transfer excess CWKV balances to the U.S. Treasury by June 30.
2. Annually review excess collection transfers and returns to the U.S. Treasury in cooperation with the Forest Management and Program and Budget Analysis staff.

90.44 - Director Strategic Planning, Budget, and Accountability (SPBA)

The responsibility of the Director of SPBA is to:

1. Annually review excess collection transfers and returns to the U.S. Treasury in cooperation with the ASC Budget and Finance and Forest Management staffs.

90.45 - Regional Forester

The responsibility of the Regional Forester is to:

1. Annually coordinate with Forest Budget Officers to establish Forest Collection Rates.
2. See sec 10.43, 20.43, 40.43, 50.43 and 70.43 for additional responsibilities.

90.46 - Forest Supervisor

The responsibility of the Forest Supervisor is to:

1. Ensure that Forest Collection Rates are updated in the Forest Activity Tracking System (FACTS) on an annual basis.
2. See sec 10.44, 20.44, 40.44, 50.44 and 70.44 for additional responsibilities.

90.47 - District Ranger

The responsibility of the District Ranger is to:

1. Ensure that plans are revised annually and that the current Forest and National Collection Rates are being used.

2. See sec 10.45, 20.45, 40.45, 50.45 and 70.45 for additional responsibilities.

90.5 - Definitions

1. See 10.5 for definitions related to the CWKV program.
2. See 20.5 for definitions related to the CWK2 program.
3. See 40.5 for definitions related to the Brush Disposal program.
4. See 50.5 for definitions related to the Timber Sale Pipeline Restoration Fund program.
5. See 70.5 for definitions related to the Salvage Sale Program.
6. Secondary Distribution Percentage. based on the National Collection Rate for program support, this percentage is used in the Forest Products Financial System (FPFS) to distribute a portion of the (Knutson-Vandenberg (CWKV), Brush Disposal (BD), and Salvage Sale Fund (SSF)) collections to the National Program Support account on a monthly basis.

91 - Program Support

Funds are deposited in each of the three accounts CWKV, BD, and SSF for Washington Office and Regional Office program support as they are collected.

91.1 - Program Support Budgeting

Program support budgeting at the Washington Office, the regional offices, and forests are governed by work financing principles (see FSH 6509.11g, ch. 30). Under that principle, and to the extent that activities or services can be linked to the support of accomplishments in the K-V, BD, and SSF programs, the expenditures should be programmed and expended in either K-V, BD, or SSF accounts, respectively.

The budget line items (BLIs), CWKV, BDBD, and SSSS funds are to be expended as appropriate according to FSH 2409.19, ch. 10. Therefore, program support budgets are constrained by the amount of cash that has been collected for that purpose, or which may be collected by applying updated collection rates. Collections from each sale area improvement (SAI), BD, and SSF plan, are tracked as a pool of funds to be used for either direct project costs or indirect program support costs.

One of the goals when establishing and updating budgets and the related collection rate for program support costs, is to minimize the degree of fluctuation from year to year. Consistent rates make it easier for managers to ascertain the effect of rate changes to on-the-ground

programs since all the cost components are interrelated. If possible, changes in the rate should be made gradually to promote stability of the management of the fund. The rate should be calculated to display real cost relationships and the recovery of such costs; however, the rate should also be stabilized to the extent possible.

Budget variations for program support may be accommodated as long as the Forests continually update their open collection plans and Forest Products Financial System (FPFS) with the most recent collection rates. If there is a rate increase, then some activity units on open sales may need to be unfunded. Since program support collections occur during the sale, rather than after sale closure, there is no need to update plans on closed sales.

91.2 - Program Support Budgeting – Washington Office

Program support budgeting consists of direct costs associated with management of the K-V, BD, and SSF programs.

The Washington Office personnel that in whole or in part, provide management or oversight of the CWKV, BD and SSF programs, and their associated costs (travel, training, and supplies) are financed from the National Program Support account. If there are significant changes in the budget request, Washington Office Forest Management staff along with SPBA and the National Forest System Deputy Area Budget Coordinator (DABC) should review and concur that the changes are reasonable and justified. Following the review, the DABC should request that cash transfers be made from the National Program support account to the appropriate Washington Office unit(s).

91.3 - Program Support Budgeting – Regional Offices

Program support consists of all direct costs associated with the regional office's management of the CWKV, BD, or SSF programs.

91.4 - Program Support Budgeting – Forests

At the Forest level, all CWKV, BD, and SSF costs such as treatment costs and other direct costs (coordinating, directing, and overseeing the CWKV, BD, and SSF programs), are not included in the National Program Support rate, and should be financed by unit collection rates and the cash deposits on the Forest.

92 - Timber Sale Deposit Fund Transfer (TSDF)

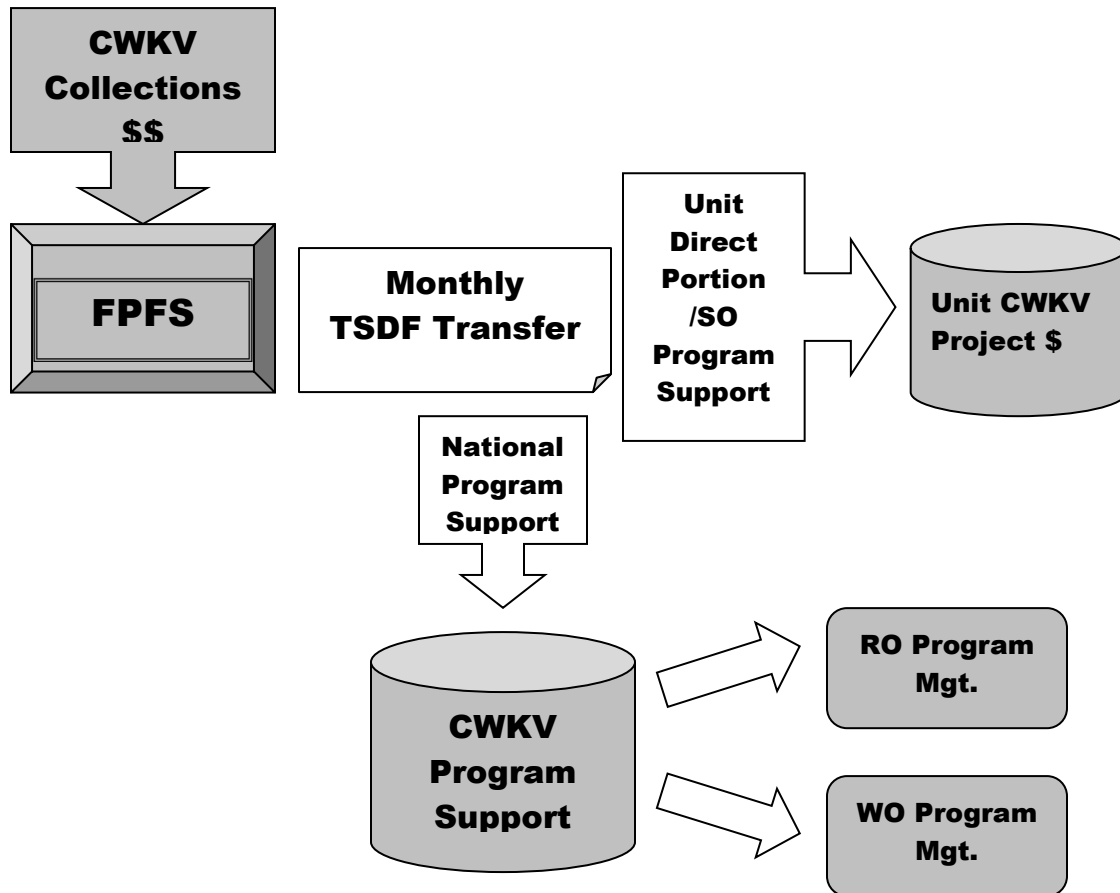
Each month K-V, BD, and SSF collections are distributed into two accounts for each fund: (1) Program Support and (2) Collection Plan Project Costs. The proportion of the collections to be deposited into each account must be established in FPFS using the appropriate job codes. This

allows program support collections to then be available in the National Program Support account and project collections to be available in each Forest's direct project account.

The flowchart in exhibit 01 displays the disposition of CWKV collections. Brush Disposal and SSF collections are treated in the same manner.

92 - Exhibit 01

Flow Chart of K-V Collections



93 - Program Support Account Management

The Forest Management staff and Program and Budget Analysis staff in the Washington Office monitor the balance in the National Program Support accounts. These staffs, in concert, assure that:

1. Cash transfers from the Forests are occurring monthly as required.
2. Budget authority and cash transfers are correctly processed for Washington Office and regional office program management to the appropriate Washington Office and regional office units.
3. Annual CWKV, BD, and SSF balance analyses are completed and then used to determine if there is any excess cash in the National Program Support account that should be returned to the Treasury.
4. The National Collection Rates for Program Support and the secondary distribution percentage to be used by FPFS for each of these funds are provided annually by the Washington Office Forest Management and SPBA staffs. The secondary distribution percentage is used to distribute the National Program Support amount from the collection accounts to the National Program Support account on a monthly basis.
5. When the national excess balance exceeds amounts transferred, or advanced, the Washington Office SPBA staff shall transfer the excess CWKV balance to CWK2 or Treasury, account 125008.1 (5008, National Forest Fund receipts), not later than September 30 of each year. The transfer shall be processed using a Balance Voucher Adjustment System (BVAS) request, ensuring that the National Forest Fund (NFF) receipts appear on each appropriate proclaimed unit's financial records.
6. In the event excess CWKV funds were advanced for emergency firefighting purposes, the excess CWKV must be transferred to the NFF immediately upon repayment of the advance.

94 - Calculation of the National Collection Rate for Program Support and Transfer of Funds Into the National Program Support Accounts

94.1 - Calculation of the National Collection Rate for Program Support

The National Program Support rate for program support is a collection percentage that is calculated for all CWKV, BD, and SSF Funds and must be applied to all collection plans on all Forests. The collection rates are calculated annually by the Washington Office, National Forest System Deputy Chief's staff.

The numerator in the calculation is the average of the previous 3 years' actual obligations plus the current year planned obligations for all:

1. Direct costs at all regional offices, and
2. Direct costs at the Washington Office.

To the extent that the outyear plans are available for any of the above three levels, those planned amounts are reviewed to assure that, if there are significant program changes in the future, the numerator may be adjusted accordingly to anticipate the program change.

The denominator for the calculation of the rate is the average of the previous 3 years' actual obligations plus the current year planned obligations for all Forest direct costs.

To the extent that the outyear plans are available, the planned amounts are reviewed to assure that, if there are significant program changes in the future, the denominator may be adjusted accordingly to anticipate the program change.

Some Regions may have organizations which zone the support to the CWKV, BD, or SSF programs. The calculation for the rate assumes that any zone costs in a Forest (for example, Region 01, Forest 02 – Beaverhead/Deerlodge) are Forest costs and will be included in the denominator. The calculation for the rate assumes that any zone costs in a regional office (such as Region 01, Unit 57 – Regional Office External) are regional office costs and will be ignored as those costs are assumed to be Forest support costs covered by Forest direct project collections.

94.2 - Transfer of Funds into the National Program Support Accounts

Annually, the Washington Office provides the secondary distribution percentage that is used to allocate deposits between the direct project account and national program support account. The secondary distribution percentage is based upon the National Program Support rate calculated in section 90.41 and is utilized in FPFS in the monthly Timber Sale Deposit Fund (TSDF) processing.

95 - Costs Not Included in the National Program Support Collection Rate

The following costs ARE NOT included in the National Program Support rate. Units shall ensure that they collect for the following costs on their collection plans:

1. Direct project,
2. Forest program management,
3. Forest level program support.