

Slide 1



Forest Products Financial Administration

Stewardship Billing Deferral

TIM/TSA Implementation
5/14/2010

20100429 Stewardship Billing Deferral 1

Contract Provision WO-KE-2-1-5

- Stewardship Contracts and Agreements Only
- Payment Guarantee Required
- Allows CO to waive billing for above base stumpage value of Included Timber
- Cannot exceed amount of Stewardship Credits to be established in the future
- Cannot exceed value of payment guarantee

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WO-K-E.2.1.5

K-E.2.1.5 - Deposits When Payment Guaranteed. (05/10) To the extent payment guarantee is provided under E.3, requirements for advance cash deposits under E.2.1.2 shall be waived for the value of Included Timber removed except for:

- (a) Base Rates,
- (b) associated charges, and
- (c) the value of Included Timber exceeding the sum of stewardship credits that have not been established under E.2.2 for mandatory stewardship projects listed in A.4.3 plus optional stewardship projects listed in A.4.3 authorized by Contracting Officer.

Charges for (a), (b) and (c) shall be waived for not more than a monthly billing period, subject to the provisions of E.4.

Charges for (a), (b) and (c) shall be waived for not more than a monthly billing period, subject to the provisions of E.4.

INSTRUCTIONS: Include in new contracts on contract form 2400-13 (9/04) when all included timber will be paid for at flat rates, and the contract area is on a single proclaimed unit.

Do not include in contracts if any of the included timber will be paid for at rates subject to escalation under D.2, or if the contract area is on more than one proclaimed unit. ATSA cannot accommodate automated billing deferral on escalated sales or sales on more than one proclaimed unit at this time.

May be added to existing contracts by modification when requested by contractor.

List E.2.1.5 as inapplicable in A.21. Tree Measurement sales have same provision, except List ET.2.1.5 as inapplicable in AT.18.

Contracting Officer's Role

- Ensure payment guarantee is in place
- Authorizes billing deferral coding in ATSA.
- Monitors to ensure billing deferral does not exceed allotted payment guarantee or future stewardship credits to be exchanged for product (non-monetary credits)



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ATSA transaction required to set SC-Billing Indicator to Y or N. System will discontinue billing deferral (set to N) when some conditions are met, however it is possible for billing deferral to exceed amount of non-monetary Stewardship Credits to be earned. To ensure billing deferral does not exceed payment guarantee or future Stewardship Credits to be exchanged for Product, careful monitoring is required.

New Provision in TIM

- Optional provision
 - Should not be included in contracts where any species is escalated. Use only if the entire sale includes only flat rate species.
 - Should not be included in contracts where receipts are distributed to more than one proclaimed unit
- At Gate 4, select provision and update on ADVR110
- If contract has been advertised, provision can be added post-award at Contractor's request.


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After gate 4 is locked the new provision cannot be added in TIM – it must be added to contract post award.

Billing Deferral: TIM-TSADE

- Implemented change to 1101M card
- Only allowed if stewardship contract
- Initially deferral set as N
- User input of Y or N is allowed after sale established in ATSA.



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The TIM system has completed their required change for this enhancement in TSA. It involved adding the DEFERRED BILL INDICATOR to transaction 1101M. The indicator can contain either a “Y” or “N” or a blank. If blank the value is assumed to be “N”.

The value of “Y” or “N” is allowed on the 1101 transaction after the sale has been established within TSA. During basic entry the “N” value is defaulted by the TSA program and thereafter users can input 1101M to change the indicator to “Y” or “N”.

This indicator is only allowed if the contract was entered as a stewardship contract.

Billing Deferral: ATSA Changes

- Escalated sales not included – future release
- 3 new data components
 - 3825*SC-DEFER-BILL-IND (Y or N)
 - 3909*SC-DEFERRED-BOM
 - 3981to3992*SC-DEFERRED-MM01 to MM12
- TSA 1101M card modified to accept Y or N indicator. No other card or transaction changes.

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TIM TSADE will allow user to enter 1101 Y on escalated sale but ATSA will reject.

3825* SC-DEFER-BILL-IND is used to identify those Stewardship contracts which contain provisions that allow deferral of cash payments for the above base value of forest products removed from the contract area. Payment may be deferred where the stewardship credit the contractor will receive for future service work performed equals or exceeds the value of the material removed. This option is limited to Stewardship Contracts (component 112*STEW-CON-IND contains a value of 'Y'.)

The amount of deferral is limited to the difference between the 3903*SC-CURRENT-LIMIT and 3904*SC-ESTAB-BOM.

N = Indicates that the contract will **not** have the payments for above base valued material deferred. A Bill for Collection record in the amount of the total negative cash balance will be constructed and forwarded to FFIS for issuance. This billing will include all above base charges, all base rate charges and all associated rate charges.

Y = Indicates that the contract will have the charges for above base valued material deferred. Cash above base charges will be deferred up to the difference between the stewardship credit current limit and stewardship credits established. The bill for collection record passed to FFIS will be adjusted accordingly. This billing amount will normally be for any base rate charges plus

any associated rate charges. When the deferral limit is reached it will also include the value of above base material removed.

3909* SC-DEFERRED-BOM: is used to record and track the amount of above base forest product values where billing has been deferred because the qualifying stewardship contracts contain provisions allowing deferral when acceptable payment guarantee is provided.

Companion components **3981* to 3992*SC-DEFERRED-MM (01-12)** summarize each month's activity during the fiscal year.

This component is initialized with a value of zero when a new contract record is constructed in the data base. The month-end Distribution process will update and maintain the values in this component. The value can only exist when component 3820*SC-DEFERRED-BILL-IND contains a value of 'Y'.

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1400CONTRACT-ID: 09010120270 **AS OF: 01/31/10** **802108 - 00 SOUTH/WESTERN**
PROJECT: 00 STATE-GITRANS
DISTRICT: 00 14110

1 REGION	00	40 CONTRACT NO.	20270	200 CITY	PIRSTOP	170000-ND	0
1000 FOREST	01	200 PROJECTS	PIRST FOREST LLC	2000 STATE	00	100000-ND	0
10000 DISTRICT	01	000000	PIRST FOREST LLC	1000 STATE	00	100000-ND	0
100000	01	000000	PIRST FOREST LLC	1000 STATE	00	100000-ND	0

3500 CREDIT-IMP0 (RD) 210000

3500 CREDIT-IMP0 (RD)	210000	1140 FUND-DEP-DND-VAL	00.00	1140 FUND-DEP-DND-VAL	00.00
3500 CREDIT-IMP0 (RD)	04100	1140 FUND-DEP-DND-VAL	00.00	1140 FUND-DEP-DND-VAL	00.00
3500 CREDIT-IMP0 (RD)	000000	1140 FUND-DEP-DND-VAL	00.00	1140 FUND-DEP-DND-VAL	00.00

Billing Deferral is On

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Changes to contract scan are on first page and third page – changes to TSA470 Statement of Account will be covered later in presentation

The contract scan displays the new data components covered in slide 5 and in more detail in the ATSA Implementation Instructions – see all the ATSA Data Component dictionary.

Billing Deferral: ATSA

- Above base stumpage charges can be deferred (no bill generated)
- Less than or equal to amount of Stewardship Credits (SC) to be established.
- Deferral displayed as negative Stewardship Credits
- When SC established and NOT paid, deferral will be charged to those credits



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When SC bill defer ind is Y, ATSA defers above base stumpage charges and places the quantity as negative SC credits- it borrows from future credits to be established. If sc are established – it will charge them.

Billing Deferral: Example

- Ongoing IRSC Contract (services exceed goods/product)
- Deferral Indicator set to Y based on written request from Contracting Officer (Decision based on Prewrite , Contractor's Operating Plan, etc.)
- Contractor is performing services and removing product



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ATSA treats Billing deferral identically for all contract and agreement types. CO's should know that ATSA does not include the amount of future stewardship credits that will be paid with federal dollars.

U.S. FOREST SERVICE
AUTOMATED TIMBER SALES ACCOUNTING SYSTEM
TIMBER SALE STATEMENT OF ACCOUNT

SALE FINANCIAL STATUS:		CASH	CREDITS	DISTRIBUTION OF CASH STUMPAGE CHARGES				
				FUND NAME	JOB CODE	UNIT ID THIS REPORT	TOTAL TO DATE	COLLECTION LIMITS
CREDITS								
BALANCE FORWARD		-855.77	70463.81					
CASH PAYMENT	01/29/10	855.77						
STEWARDSHIP CREDIT ESTABLISHED			11855.76	STEM DIST DISP	SC0000	0523	0.00	0.00
STEWARDSHIP CREDIT PAID IN CASH			-12460.00	STEM ESTAB REC	SC0421		0.00	0.00
PURCHASER CREDIT TRANSFERRED IN			0.00					
TOTAL - CREDITS		0.00	69859.57				0.00	0.00
CHARGES				MINIMUM DISTRIBUTION REQUIREMENT:				0.00
DEFERRAL WITHDRAWAL		0.00	0.00					
BASE RATE STUMPAGE VALUE		0.00						
BASE RATE STUMPAGE VALUE		0.00	66431.74					
QUANTITY-SUBSIDIZED ASSIGNMENT		0.00						
ROAD CONSTRUCTION RECOVERY		0.00						
SUBTOTAL - STUMPAGE CHARGES		0.00	66431.74					
ASSOCIATED CHARGES THIS PERIOD		1202.10		ASSOCIATED CHARGE ACCOUNTS:				
CASH PAYMENT CREDIT		0.00		FUND NAME	JOB CODE	TOTAL THIS REPORT	TOTAL TO DATE	
TOTAL - CHARGES THIS STATEMENT		1202.10		CMF2 ROAD MAINT	PSM021	1202.10	2816.22	
BALANCE FORWARD TO NEXT STATEMENT		-1202.10	3427.83	TIME PERMITS	899009	0.00	0.00	
DEC/HAPT INVENTORY VALUE		0.00	0.00	INTEREST	899013	0.00	0.00	
BILLING DEFERRALS		0.00	0.00	NON PERFORMANCE	899015	0.00	0.00	
SCHEDULED PAYMENT REQUIREMENT		-1202.10	0.00	TOTALS		1202.10	2816.22	
ADJUSTED BALANCE		-1202.10	0.00	DEFERRALS:				
AMOUNT BILLED		-1202.10	0.00	DEFERRED/CHARGED THIS MONTH		0.00		
			0.00	TOTAL DEFERRED THIS MONTH		0.00		
			0.00	CURRENT DEFERRED TO-DATE		0.00		
ACCOUNT PROJECTIONS:				STEWARDSHIP CREDIT LIMIT ADV OF (\$9395.51)				
CASH BALANCE			-1202.10	HAS PROCESSED				
CREDITS			3427.83					
PAYMENT GUARANTEE ASSIGNED			300000.00					
SUBTOTAL - CREDITS			302275.73					
PROJECTIONS AS OF 01/31/10:								
VALUE TO BE BILLED NEXT 30 DAYS			84638.00					
PELLED TIMBER IN WOODS		2554.00						
PERFORMANCE GUARANTEE ASSIGNED			2554.00					
SUBTOTAL - AFTER 30 DAY CHARGES			215033.73					
ANTICIPATED CREDITS - NEXT 30 DAYS								
CASH BILLING DEFERRALS		1202.10						
PROJECTED ESTABLISHED ROAD CR.			1202.10					
SUBTOTAL - 30 DAY FUTURE BALANCE			214235.83					
ESTIMATED CUT VALUE - FUTURE PERIODS			0.00					

SC Billing Indicator is on but there is no deferral...yet

Billing Deferral: Example

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Changes to TSSA: When SC Billing Ind is Y on contract, the first page of the Timber Sale Statement of Account (TSSA) will include under Charges a line called Deferral Withdrawal. Also there is a new section below Amount Billed which details deferral:

Undeferred/Charged this month – previously deferred charges being un-deferred and charged for stumpage.

Total Deferred this month – charges deferred in just this reporting period

Current Deferred To-Date - cumulative total of deferral

We will see more changes to page 1 of the TSSA later in presentation.

Why no deferral?: Established, unpaid stewardship credits are being charged for above base stumpage – so there is no need to defer charges! Note that ATSA will generate billing for Associated Charges which must be paid in cash and are therefore not subject to billing deferral

In this example there are Earned unused Stewardship Credits on account. The balance forward from last reporting period is 70463.81. During the month more stewardship credits were earned (11,855.76) however more credits were reported paid than earned in the month (-12,460.00). This could happen if an invoice for payment is not provided timely to the TSA staff or if a data entry error was made. In simple terms, this contract had established credits that were reported as earned in one reporting period and paid in another – this should happen rarely, if ever. The new total credits is 69,859.57.

During the month the SA reported volume removal and all the stumpage was charged to previously earned, unused Stewardship Credits. Contractor .

The Balance Forward to Next Statement displays a positive amount of unused earned stewardship credits of \$3427.83

U.S. FOREST SERVICE
AUTOMATED TIMBER SALES ACCOUNTING SYSTEM
STATUS OF TIMBER SALE CONTRACT ROADS AND STEWARDSHIP CREDITS

Total Limit less Total Established = Available for Deferral

STATUS OF CREDITS		STEWARDSHIP CREDITS	
CASH CHARGED ABOVE BASE			
OPENING BAL (0523)	0.00	70463.81	
CREDIT ESTABLISHED		11855.76	
CREDITS PD IN CASH		-12460.00	
CONVERTED TO CASH	0.00	0.00	
STUMPAGE CHARGES UNCRFCD / CHARGED	0.00	-66631.74	
CASH ADV. BASE BAL	0.00		
DOWN PAYMT APPLIED		0.00	
UNUSED CREDIT FWD		3427.83	
CREDIT LIMITS AND TOTALS TO DATE			
		ESTABLISHED	CREDITS
CONTRACT LIMITS	0.00	267045.58	
ESTAB THIS PERIOD	0.00	11855.76	
TOTAL TO DATE	0.00	159882.02	
TOTAL CHGD TO DATE		142794.18	
TOTAL PAID IN CASH		13660.00	
DOWN PAYMT DEPOSIT	0.00	0.00	

* <<<<<<< STEWARDSHIP BILLING DEFERRED >>>>>>>	
* LIMIT BALANCE FORWARD	257650.07
* LIMIT ADJUSTMENTS	9395.51
* TOTAL LIMIT	267045.58
* ESTABLISHED BALANCE FORWARD	148026.26
* ESTABLISHED THIS MONTH	11855.76
* TOTAL ESTABLISHED	159882.02
* AVAILABLE FOR DEFERRAL	107163.56
* DEFERRED BALANCE FORWARD	0.00
* DEFERRAL ADJUSTMENT	0.00
* TOTAL DEFERRED	0.00
* REMAINING TO DEFERRED	107163.56
* DEFERRED THIS MONTH	0.00
* AVAILABLE NEXT MONTH	107163.56

* CURRENT MONTH STEWARDSHIP ACTIVITY	

* STEWARDSHIP CREDIT ESTABLISHED:	
* SNW 003-9015 01/31/10	12460.00
* JAN STEW CREDITS 01/31/10	-604.24
* STEWARDSHIP CREDIT PAID IN CASH:	
* INVOICE 003-9015 01/31/10	12460.00

Billing Deferral: Example

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The last supporting page of the TSSA is the Status of Timber Sale Contract Roads and Stewardship Credits. On this page there are several changes, including a new section in the upper right hand corner which tracks the amount available to defer and the amount deferred:

Limit Balance Forward is the previous reporting periods Stewardship Credits Limit – In this example the Limit was 257650.07

Limit Adjustments are changes to credit limit during the reporting period. In this example an 1102M transaction was entered increasing the limit by 9395.51 for a new Stewardship Credit Limit of 267045.58 – this matches the Contract Limits amount.

The Available for Deferral amount is the difference between the contract’s Total Limit and Total Established. In this example there are no deferred charges but there are future stewardship credits to be established which could be used to defer charges. Please note that ATSA does not know how much of the Total Limit is cash credits, meaning services to be paid for with federal dollars. The CO must monitor and turn off billing deferral indicator or issue cash billing via FTRS IF there are deferred charges exceeding either the payment guarantee or the amount of future credits to be earned that will be used to cover stumps. In this example the Remaining To Be Deferred is less than the payment guarantee, so the deferrals will be covered unless the Stewardship Credit Limit is increased by 192,836.44.

Billing Deferral: Example – Month 2

- Deferral Indicator remains set to Y
- Contractor removes product and performs services for non-monetary credits.
- ATSA defers above base charges over the amount of unused stewardship credits on account
- Deferral within payment guarantee coverage

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Explain why ATSA deferred all the charges:

Credit limit is still \$500,000 so there are still \$500,000 of Stewardship Credits to be earned and all are non-monetary credits which will be exchanged to timber. ATSA does not check billing deferral against payment guarantee – that is a manual process.

What does the CO do?

ED/JEFF/JUDY? ATSA will not generate a billing document. 3 options I see: 1. CO does nothing and lets deferral exceed payment guarantee, 2. Set billing deferral to N once the payment guarantee amount has been deferred and let ATSA bill full amount and request billing modification from ASC and then set billing deferral back to Y – so the billing deferral really doesn't do much for us because you're still going to have a monthend statement with a negative balance, and 3. Leave billing indicator at Y and CO request billing for the amount of deferral exceeding payment guarantee with 15 days to pay. How do we get the deferred charges to charge to the cash collected? Turn billing to N mid-month and once charges are processed then reset to Y? This is repeated monthly until Contractor earns credits to cover deferral and no more deferral is available.

**U.S. FOREST SERVICE
AUTOMATED TIMBER SALES ACCOUNTING SYSTEM
TIMBER SALES STATEMENT OF ACCOUNT**

SALE FINANCIAL STATUS		DEBIT	CREDIT	DISTRIBUTION OF CASH STUMPAGE CHARGES			
DATE	DESCRIPTION			FUND NAME	JOB CODE	UNIT	TOTAL
							THIS REPORT
							DATE
							TOTAL TO
							LIMITS
	CREDITS FORWARD	1202.10	3427.83				
	CASH PAYMENT	1202.10					
	STEWARDSHIP CREDIT RETAINING		23750.00	STW	STW	SEC	62421
	FUTURES CREDIT TRANSFERRED TO CASH		0.00	STW	STW	SEC	62421
	FUTURES CREDIT TRANSFERRED TO CASH		0.00				
	TOTAL - CREDITS	0.00	27177.83				
	CHARGES						
	FEDERAL WITHHOLDING	0.00	0.00				
	BASE RATE STUMPAGE VALUE	0.00	0.00				
	ADJ. BASE RATE STUMPAGE VALUE	0.00	0.00				
	COLLECTED REGULATOR BALANCE	0.00	27177.83				
	ROAD CONSTRUCTION RECOVERY	0.00	0.00				
	STUMPAGE - STUMPAGE CHARGES	0.00	27177.83				
	ASSOCIATED CHARGES THIS PERIOD	585.30	0.00				
	CASH PAYMENT DEFERRED	585.30	0.00				
	TOTAL - CHARGES THIS STATEMENT	585.30	27177.83				
	BALANCE FORWARDED TO NEXT STATEMENT	585.30	0.00				
	DEFERRED - INVENTORY VALUE	0.00	0.00				
	BILLING DEFERRED	0.00	0.00				
	MINIMUM PAYMENT REQUIREMENT	0.00	0.00				
	DEFERRED BALANCE	-585.30	0.00				
	AMOUNT BILLED	-585.30	0.00				
	DEFERRED CHARGED THIS MONTH	0.00	0.00				
	TOTAL DEFERRED THIS MONTH	0.00	0.00				
	CURRENT DEFERRED TO DATE	0.00	508.87				
	** CURRENT ABOVE BASE STUMPAGE CHARGES ARE BEING DEFERRED AGAINST						
	FUTURE STUMPAGE CREDITS TO BE BILLED BY THE CONTRACTOR						
	CURRENT MONTHLY BILLING REFLECTS OFFSET						
	AMOUNT PROVISIONED						
	CASH BALANCE						
	CREDIT						
	PAYMENT GUARANTEE RESTRICTED						
	SUBTOTAL - CREDITS		29944.70				
	PROVISIONS AS OF 02/28/10						
	VALUE TO BE BILLED NEXT 30 DAYS	0.00	0.00				
	FUTURE STUMPAGE CREDITS DEFERRED	0.00	0.00				
	PROVISIONS - APPLICABLE TO DEFERRED	0.00	0.00				
	ANTICIPATED CREDITS - NEXT 30 DAYS	0.00	29944.70				
	CASH BALANCE OUTFSTANDING	585.30	0.00				
	PROVISIONS AS OF 02/28/10						
	PROJECTED ESTABLISHED ROAD CR.	0.00	585.30				
	DEFERRED 10 DAY FUTURE BALANCE	0.00	300000.00				
	DEFERRED 10 DAY FUTURE BALANCE	0.00	300000.00				
	PROJECTED BALANCE - FUTURE PERIODS	0.00	300000.00				
	VALUE OF 10 DAYS CUT	8252.00					

Example - Month 2

In the next month's reporting the TSSA opens with a negative cash amount (outstanding billed amount for the Associated Charges) and a positive Credit balance of \$3427.83 (these are last's reporting period's Balance Forward to Next Statement).

During this reporting period the Contractor paid their bill - see cash payment on 2/26/10 zeroing out the negative cash balance - and earned more stewardship credits for services performed. These \$23,750.00 stewardship credits were not also reported paid, so they are non-monetary credits meaning they can be charged for stumpage. The total earned, unused credits available for the reporting are \$27,177.83.

The SA reported volume removal and the above base value was charged to the credit balance. The associated charges are charged to cash and the ATSA generated billing amount is \$585.30.

In the new section (highlighted) there is an amount showing as deferred this month and the system generated statement which explains to the Contractor what this amount means. You need to look at the Calculation of Charges supporting statement to identify how this amount was derived.

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U.S. FOREST SERVICE
AUTOMATED TIMBER SALES ACCOUNTING SYSTEM
CALCULATION OF CHARGES - PAYMENT UNIT SALE

STUMPAGE CHARGES	SPEC CODE	PRODUCT	UNITS	CURRENT QUANTITY	CURRENT RATE	CHARGES THIS PERIOD	QUANTITY REMOVED TO-DATE	TO-DATE QUANTITY
VOLUME SCALED	DF	SAWTIMBER	TON	3036.28	9.08	27569.42		
	DF	NON-SAW	TON	1466.05	0.08	117.28		
VOLUME TOTALS		SAWTIMBER	TON	3036.28			3036.28	18709.74
		NON-SAW	TON	1466.05			1466.05	7455.79
TOTAL STUMPAGE CHARGES						27686.70	TOTAL SAWTIMBER TON 3036.28	18709.74
							NON-SAW TON 1466.05	7455.79
ASSOCIATED CHARGES	CHARGE TYPE	CHARGE ID	UNITS	CURRENT QUANTITY	CURRENT RATE	CHARGES THIS PERIOD		
CRPT ROAD MAINT	05		TON	4502.33	0.13	585.30		
VOLUME SCALED						585.30		
TOTAL ASSOCIATED CHARGES						585.30		
TOTAL STUMPAGE AND ASSOCIATED CHARGES						28272.00		
TOTAL BASE	0.00	ABOVE BASE CHARGED			27177.83			
		ABOVE BASE DEFERRED			508.87			
		FEET CRED NOW REPTD			0.00			

Total Stumpage Charges for the month exceeding unused credit. Difference was deferred

Example – Month 2

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On this page of the TSSA we can see that the total above base charges for the month exceeded the amounts of credits on account and the remainder was deferred. Total stumpage charges are 27,686.70 and there was only 27177.83 in unused credits. There must be an amount of stewardship credits to be earned in the future to cover the amount deferred – we can see that on the last page of the statement.

Billing Deferral: Example

Month three's operations:

- ATSA defers billing of above base stumpage charges
- CO monitors statement and verifies billing deferral does not exceed payment guarantee
- Negative Stewardship Credit carried forward to next month of -100,000



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How product reported depends on whether sale is scaled or tree-measurement and is not relevant to this training or example.

Volume is either reported on Scale certificate, NATscale report, or FS-2400-66

U.S. FOREST SERVICE AUTOMATED TIMBER SALES ACCOUNTING SYSTEM TIMBER SALE STATEMENT OF ACCOUNT										
CREDITS					FUND NAME	JOB	UNIT	TOTAL	TOTAL TO	COLLECTION
					CODE	ID		THIS REPORT	DATE	LIMITS
BALANCE FORWARDED (CASH & DEFERRAL)	-585.30	-508.87								
CASH PAYMENT 03/26/10	1094.17									
MEMBERSHIP CREDIT ESTABLISHED	0.00	0.00		STEM DIST	DISP	SO0280	0523	0.00	0.00	0.00
PURCHASE CREDIT TRANSFERRED IN	0.00	0.00		STEM RETAIN	REC	SO0621		0.00	0.00	0.00
TOTAL - CREDITS (CASH & DEFERRAL)	508.87	-508.87						0.00	0.00	0.00
CHARGES										
DEFERRAL WITHDRAWAL	0.00	0.00								
BASE RATE STUMPAGE VALUE	0.00	0.00								
ADJUTE BASE STUMPAGE VALUE	0.00	0.00								
QUARTERLY ESCALATION ADJUSTMENT	0.00	0.00								
ROAD CONSTRUCTION RECOVERY	0.00	0.00								
SUBTOTAL - STUMPAGE CHARGES	0.00	0.00								
ASSOCIATED CHARGES THIS PERIOD	0.00	0.00								
DOWN PAYMENT DEPOSIT	0.00	0.00								
TOTAL - CHARGES THIS STATEMENT	0.00	0.00								
BALANCE FORWARDED TO NEXT STATEMENT	508.87	0.00								
DECI/2AFT INVENTORY VALUE	0.00	0.00								
BILLING ADJUSTMENTS	0.00	0.00								
SCHEDULED PAYMENT REQUIREMENT	0.00	0.00								
ADJUSTED BALANCES	508.87	0.00								
UNDEFERRED/CHARGED THIS MONTH	0.00	0.00								
TOTAL DEFERRED THIS MONTH	0.00	0.00								
CURRENT DEFERRED TO-DATE	508.87									
** CURRENT ABOVE BASE STUMPAGE CHARGES ARE BEING DEFERRED AGAINST FUTURE MEMBERSHIP CREDITS TO BE BILLED BY THE CONTRACTOR. CURRENT MONTHLY BILLING REFLECTS OFFSET.										
ACCOUNT PROJECTIONS										
CREDITS:		DETAIL	TOTAL							
CASH BALANCE			508.87							
CREDITS			0.00							
PAYMENT GUARANTEE ASSIGNED		300000.00								
SUBTOTAL - CREDITS			300508.87							
PROJECTIONS AS OF 02/28/10:										
VALUE TO BE HAULED NEXT 30 DAYS			0.00							
FELLED TIMBER IN WOKES		0.00								
PERFORMANCE GUARANTEE ASSIGNED		0.00								
SUBTOTAL - AFTER 30 DAY CHARGES			300508.87							
PROJECTIONS AS OF 03/30/10:										
ANTICIPATED CREDITS - NEXT 30 DAYS			0.00							
CASH BILLING OUTSTANDING		0.00								
PROJECTED ESTABLISHED ROAD CR.		0.00								
SUBTOTAL - 30-DAY PROJ. BALANCE			300508.87							
PROJECTIONS AS OF 03/30/10:										
ESTIMATED CUT VALUE - FUTURE PERIODS			0.00							
PROJECTED BALANCE			300508.87							

When charges are deferred, the Balance Forward and Total Credits lines include (Cash & Deferral).

This identifies the negative credit balance as deferral rather than credits earned.

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U.S. FOREST SERVICE
AUTOMATED TIMBER SALES ACCOUNTING SYSTEM
CALCULATION OF CHARGES - PAYMENT UNIT SALE

No volume reported this month

SFPC CODE	PRODUCT	UNITS	QUANTITY REMOVED TO-DATE	
			CURRENT QUANTITY	TO-DATE QUANTITY
DF	SAMTIMBER	TON	0.00	18709.74
DF	NON-SAM	TON	0.00	7455.79
	TOTAL SAMTIMBER	TON	0.00	18709.74
	NON-SAM	TON	0.00	7455.79

Example 1 – Month 3

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Slide 21

U.S. FOREST SERVICE AUTOMATED TIMBER SALES ACCOUNTING SYSTEM STATUS OF TIMBER SALE CONTRACT ROADS AND STEWARDSHIP CREDITS			
STATUS OF CREDITS			
CASH CHARGED ABOVE BASE	0.00	STEWARDSHIP CREDITS	
OPENING BAL (0523)	0.00	0.00	* <<<<<<<< STEWARDSHIP BILLING DEFERRED >>>>>>>>
CREDIT ESTABLISHED	0.00	0.00	* LIMIT BALANCE FORWARD 267045.58
CREDITS PD IN CASH	0.00	0.00	* LIMIT ADJUSTMENTS 0.00
CONVERTED TO CASH	0.00	0.00	* TOTAL LIMIT 267045.58
STAMPAGE CHARGES	0.00	0.00	* ESTABLISHED BALANCE FORWARD 183632.02
UNCRFED / CHARGED	0.00	0.00	* ESTABLISHED THIS MONTH 0.00
CASH ADV. BASE BAL	0.00	0.00	* TOTAL ESTABLISHED 183632.02
DOWN PRMT APPLIED	0.00	0.00	* AVAILABLE FOR DEFERRAL 83413.56
UNRSED CREDIT PWD	0.00	0.00	* DEFERRED BALANCE FORWARD 508.87
			* DEFERRED ADJUSTMENT 0.00
			* TOTAL DEFERRED 508.87
			* REMAINING TO DEFERRED 82904.69
			* DEFERRED THIS MONTH 0.00
			* AVAILABLE NEXT MONTH 82904.69
CREDIT LIMITS AND TOTALS TO DATE			
CONTRACT LIMITS	0.00	267045.58	
ESTAB THIS PERIOD	0.00	0.00	
TOTAL TO DATE	0.00	183632.02	
TOTAL CRSD TO DATE		169972.02	
TOTAL PAID IN CASH		13660.00	
DOWN PRMT DEPOSIT	0.00	0.00	

Example – Month 3

No volume reported or credits earned this reporting period. Deferred charges from prior month are displayed as Deferred Balance Forward and again as Total Deferred since that is the only amount deferred to date on this sale. There are \$82,904.69 of stewardship credits still to be earned in the future so there is an available to defer amount. Caution to CO's on IRSC – this amount includes credits that will be paid in cash. It is up to the CO to identify how much deferral is appropriated and request billing when necessary.

CALCULATING AMOUNT TO DEFER ON IRSC

Reporting Period	Stewardship Credit Limit - Current		Stewardship Credit Limit - Monthly Changes (1102M)		Stewardship Credits Established - Monthly		Cumulative Stewardship Credits Established	ATSA Available to Defer	Available to Defer Less Cash Credits to be paid in the future	Payment Guarantee
	Cash	Non-Monetary	Cash	Non-Monetary	Cash / Pay Invoice	Non-Monetary				
Opening Balance	250,000.00	7,650.07			0.00	148,026.26				
Month			9,395.51	0.00	(12,460.00)	11,855.76	159,882.02	107,163.56	113,201.99	5,000.00
Closing Balance	259,395.51	7,650.07						107,163.56		

This can also be used for IRTC's - ATSA will allow deferral up to \$107,163.56 however there is only a \$5,000 payment guarantee!

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Here is example of how to determine the amount of stewardship credits are available for deferral under an IRSC. Also note, this would apply to IRTC's if the payment guarantee is not sufficient to cover removal of all forest products.

What do you do?

IRSC CO – sale should not allow billing deferral – should be reset to N and billing issued for any stumpage charges.

IRTC CO – notify Contractor that additional payment guarantee is needed or request billing thru FTRS for any deferred amount greater than \$5000. Ensure cash remains on account and remark is added to explain. Refer to Slide 21.

CO's should anticipate this and ensure there is adequate coverage prior to authorizing the Billing Indicator be set to Y. CO's are responsible for ensuring there is no loss to the government.

Events Effecting Deferral

1. Deferral only applies to future charges and cannot be performed retroactively. If there are outstanding charges on the monthend statement and the Billing Indicator is set to Y in the next processing month, the charges will stand and the billing is still valid and outstanding.
2. Changes to the Stewardship Credit Limit (1102M) or Stewardship Credits established (4007R), plus or minus, affects the amount that can be deferred.
3. If the Stewardship Credit Limit is reduced to an amount lower than previously deferred charges, the deferral will be reduced and the difference will be converted to a cash charge and billed.

Events Effecting Deferral

4. Reduction to Stewardship Credits reported as paid (negative 4008R) has no effect on deferral as those credits are still established and unavailable for deferral. Those earned unused credits would be used to charge stumpage as they are now non-monetary credits.
5. Once above-base charges have been charged to cash, they will not be converted to a deferred status if billing indicator is modified to Y. Due to error, it is necessary to adjust prior month cash charges from cash to deferred requires reversing the related volume data, processing month-end closure, and re-entering in the following month.
6. Regardless if the Billing Deferral Indicator is Y, if there are earned unused credits on account or established during month, they will be charged for above base stumpage charges. Any amount exceeding unused credits could be deferred if there are future credits to be earned.
7. **Stewardship billing deferral is not allowed on sales with more than one proclaimed unit.**