

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

Forest Service Handbook 1409.15 – Auditing Concessions Handbook

Zero Code

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Responsible Staff:

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These instructions are presented as a guide to assist Forest Service accountants performing special-use-permit audits and surveys. Where a Forest Service accountant determines that the auditing and/or survey program and techniques require an approach different than those suggested by this handbook, he should apply his professional judgment to the assignment and document the reason for his action.

The accountant will use due professional care in determining whether permittee's accounting data conform to generally accepted accounting principles in reporting and classifying sales and expenses related to their permit operations.

04 - Responsibility

Forest Supervisors are responsible for meeting the requirements for auditing concession uses. This responsibility includes the surveying, auditing, and the establishment and updating of gross fixed assets (GFA) for all permittees operating commercial businesses on National Forests. This responsibility includes determining whether or not permittee's accounting records satisfy the minimum requirements specified by their permit as well as whether they have been reporting and paying the correct land-use fees on sales generated under the terms of their permit and/or on the use of Granger-Thye (G-T) assets.

Most of this work has been done from the Forest level on a delegation of responsibility from the Regional Forester. Experience has generally shown that this approach is less effective than when the work is done from the Regional Office. This is because the Forest office often does not have a qualified professional accountant available to perform the work.

All audits will be performed by a qualified GS-510 accountant. It is not necessary that the auditor currently be working in a 510 position, but he should possess the qualifications for that series. Exception may be made for flat fee concessioners and those whose percentage fees result in less than \$1,000 average annual fees. In no instance should an audit of a large concessioner be made by a nonaccountant.

06 - Classes of Fees

1. Commercial public-service special-use permits grant use of Government land and/or improvements in return for:

- a. A cash fee based wholly or partly on the permittee's net sales plus other income derived from such permits.
- b. A flat cash fee.
- c. Expenditures of fixed or variable amounts by the permittee for the maintenance and reconditioning of government owned improvements.
- d. A cash fee and required expenditures.

2. Instructions for issuance of such permits and the determination of the proper fee are provided in FSM 2710 and 2720. The graduated-rate fee system (GRFS) used to determine the fee for public service special uses is discussed in FSM 2715.14.