

CHAPTER 16**ARMY ANNEX****ARMY POLICIES AND PROCEDURES FOR PRODUCTION AND
SALE OF FOREST PRODUCTS****A. The Reimbursable Forestry Program**

1. **General.** This chapter and annex prescribes the policies and procedures for budgeting, accounting and reporting of proceeds and obligations associated with the production and sale of forest products at Army installations or facilities (see Title 10, United States Code (U.S.C.), section 2665). Determine eligibility for participation within this program using the provisions of Army Regulation (AR) 200-3. The objectives of the Army's reimbursable forestry program are to support mission operations, support conservation compliance, and execute natural resources stewardship.

2. **Responsibilities.** Headquarters, Department of the Army (HQDA), through the Office of the Director of Environmental Programs (ODEP) along with the United States (U.S.) Army Environmental Center (USAEC), major Army commands (MACOMs), and Army installations, is responsible for the execution of the Army's reimbursable forestry program. The ODEP, as the program manager, in coordination with other Army Staff (ARSTAF) offices, shall monitor all proceeds received and recommend targets for reimbursable authority to the Director of Environmental Programs (DEP).

3. **Budgeting.** Include authority to execute reimbursable work on the Funding Authorization Document (FAD). Automatic reimbursable authority may be used for operation and maintenance, minor construction, purchase of forestry equipment, and other obligations directly related to the reimbursable forestry program. The ODEP shall annually determine targets for the MACOMs' forest products reimbursable authority based on the anticipated proceeds, obligations, and states' entitlements. Issue these targets to the MACOMs separately memorandum from the ODEP.

4. **Proceeds.** Deposit proceeds from the sale of forest products into General Fund Budget Clearing Account, 21F3875.3960. Report proceeds on the Accelerated Reporting of Receipt and Outlay (Expenditure) Data-Statement of Accountability Report (RCS CSCFA-302A). This includes proceeds from forest products disposed of by the Defense Reutilization and Marketing Service. Forest products include, but are not limited to, veneer logs, timber, pine straw, stumpwood, bark, mulch, cones, seeds, mistletoe, firewood, Christmas trees, sawlogs, chips, poles, piles, posts, and pulpwood. The products can be dead and down or designated standing timber. When forest products are removed from Army lands by any means other than a commercial sale (for example, generating energy on the installation), a dollar amount equal to the fair market value shall be deposited in the Army Forestry Account by the proponent of the activity removing the forest products. The only exception is that forest products may be removed or used directly to assist the military mission without payment. Deposit

advances from contractors as unearned revenue in the same account as the unfilled orders to which the advance applies. Monthly, each activity's accounting office shall transfer current month earnings from the unearned revenue to the deposit fund account.

5. Expenses. Program expenses incurred by HQDA, installations or facilities and the District Engineer Offices shall be related directly to the integrated management, production and sale of forest products, and associated program management costs for personnel at all levels (i.e., installation, MACOM, district, division, field operating activity (FOA), ARSTAF and auxiliary staff) whose primary duties are to administer the forestry reimbursable program. Program expenses shall be categorized according to the functions listed below.

a. Forestry Equipment. Include purchase, over the Capital Expenditure Limit (currently \$100,000) only, of forestry equipment (for example, vehicles, or heavy equipment) used exclusively in reimbursable forest management.

b. Forest Fire Protection. Include the protection of forests on land in forestry reimbursable programs. Include equipment costing less than the Capital Expenditure Limit.

c. Forest Management. Include reimbursable forest management functions. Include supervision, planning, programming, and conducting field surveys and inventories, training, and attending professional meetings. Include improvements of existing forest stands, whether they are planted, seeded, or natural, including natural resources projects in direct support of the reimbursable forestry program. This includes controlling undesirable vegetative growth, prescribed burning, precommercial thinning, and pruning. Include the protection of reimbursable forests from insect, disease, animal, flood, and erosion damage. Include the sale and preparation for sale of forest products. Include appraising, cruising, marking, scaling, preparing sales contracts, escorting prospective bidders, advertising, sales administration, and contract compliance inspections. Include equipment costing less than the Capital Expenditure Limit.

d. Forest Access Roads. Include construction, repair, and maintenance of reimbursable forest access roads and trails. Include the repair of other roads resulting from the production and harvest operations. Include equipment costing less than the Capital Expenditure Limit.

e. Reforestation. Include natural or artificial regeneration, including planting, purchasing of seeds or seedlings, and preparing sites. Include equipment costing less than the Capital Expenditure Limit.

f. Forestry Support. Include Phase I archaeological surveys, threatened and endangered species surveys, and military mission coordination efforts driven only by forestry activities (for example, planting and harvesting).

6. Reporting and Review

a. Report proceeds on the RCS CSCFA-302 report. (“Report obligations incurred as automatic reimbursable obligations on the RCS CSCFA-218 (Status of Approved Resources Report”). Report obligations incurred for items of equipment purchased with procurement appropriation funds on the RCS CSCFA-112 (“Status of Reimbursements Report”). See [Volume 6](#) of this Regulation for reporting instructions.

b. Report reimbursements earned on the RCS CSCFA-112 report as “Transferred for Collection” in the “Reimbursement Collected-Automatic” column. Identify the amounts transferred by detail reimbursement source code. Identify the amount of reimbursements “Transferred for Collection” as a separate footnote on the RCS CSCFA-112 report. Report reimbursements for items of equipment financed with procurement funds on the RCS CSCFA-112 report. Bill and collect according to procedures outlined in [Chapter 12](#) of this volume. See [Volume 6A or 6B](#) of this Regulation for reporting instructions

c. HQDA, MACOMs, installations, district engineering offices, Defense Finance and Accounting Service (DFAS) sites, and Field Accounting Offices (FAOs) shall submit quarterly analysis of actual proceeds and obligations to become part of the RCS CSCFA-218 report. The U.S. Army Corps of Engineers (USACE) districts shall report proceeds and obligations separated by installation to the DFAS-Indianapolis (Sustaining Forces).

d. The DFAS-Indianapolis (Sustaining Forces) shall provide a quarterly Consolidated Analysis of Department of the Army (DA) Forest Products, based on USACE and installation input, to USAEC within 30 days after the end of each quarter. The USAEC, the MACOMs, and the USACE jointly shall review the Army’s commercial forestry program utilizing this report. The USAEC shall maintain a 7-year historical data record of annual proceeds and obligations.

e. Within 90 days after the conclusion of each fiscal year, the DFAS-Indianapolis (Sustaining Forces) shall compute the concluding fiscal year’s unfilled forestry orders (transferring excess to or removing required funds from that fiscal year’s Lumber/Timber account 21F3875.3960), compute and provide 40 percent of the net proceeds per installation to the appropriate States, and deposit the remaining net proceeds into the Forest and Wildlife Conservation, Military Reservations Account (21R5285, DFAS-Indianapolis Manual 37-100-FY). Before issuing states’ entitlements, the DFAS-Indianapolis (Sustaining Forces) shall confirm figures with the USAEC. States’ entitlements and transfers to 21R5285 shall not be made until monies are set aside, if necessary, to cover unfilled forestry orders.

f. States entitlements shall be issued to state treasurers with sufficient explanation to include reason for the issuance, itemization by installations and counties, and the DFAS point of contact (POC) phone number(s). A copy of this information shall be furnished to the USAEC.

g. The USACE determines and updates, as required, the total acreage by county and state for all Army installations or facilities participating in the DoD Forest Products Program. The USACE provides this data to the DFAS-Indianapolis (Sustaining Forces). The DFAS shall update its files for determining states' entitlements. Acreage by county is the total acreage of the installation or facility, not just the acreage applicable to the forest products program.

B. The Forestry Reserve Account

1. General. The Forest and Wildlife Conservation, Military Reservations Account (The Forestry Reserve Account (21X5285)) is sustained with the calendar year end transfers from each of the Services' Forestry Program Deposit Fund accounts (**F3875).

2. Responsibilities. The Army is the DoD executive agent for this account. Balances in this account shall be used in accordance with paragraph 160203 of this chapter.

3. Project Approval Process. The project approval, funding and accounting processes for forestry reserve account projects at Army installations or facilities are outlined below.

a. Annually, the ODEP shall request the MACOMs, based on installation input, to submit proposed projects to the Commander, USAEC, ATTN: SFIM-AEC-EQN, Aberdeen Proving Grounds, MD 21010-5401. The USAEC shall consolidate the proposals and provide them to ODEP. In coordination with other concerned ARSTAF offices and the Office of the Deputy Assistant Secretary of the Army, Environmental Safety and Occupational Health (ODASA-ESOH), the ODEP initially shall rank the proposals and submit them to the Assistant Chief of Staff for Installation Management for consideration and official submittal to the DASA-ESOH. The DASA-ESOH forwards Army's official submittal to the Department of Defense for funding.

b. The DFAS-Indianapolis (Sustaining Forces) shall transfer the total approved Army projects from 21X5285 when the Deputy Under Secretary of Defense (Environmental Security) approval memorandum and appropriate accounting classification are received from USAEC.

c. Based on the approved project list, the USAEC shall prepare a Military Interdepartmental Purchase Request (MIPR) (DD Form 448) citing Economy Act orders and forward a copy to the requesting/performing activity.

d. The requesting/performing activity shall accept the MIPR and forward signed copies to the USAEC.

e. Any remaining funds, after completion of the project, shall be returned to the USAEC. At no time shall the performing activity incur expenses in excess of the accepted MIPR.

4. Fund Transfers from 21X5285. The DFAS-Indianapolis (Sustaining Forces) shall transfer funds for approved Army projects from this account to USAEC using a “no check drawn” SF 1080. The DFAS-Indianapolis (Sustaining Forces) shall handle the transaction as a reverse collection.

a. Funds for approved projects at other DoD agencies shall be transferred by the DFAS-Indianapolis (Sustaining Forces) via an On-Line Payment and Collection (OPAC) transaction.

b. Collection and disbursement of funds from this account are limited to the DFAS-Indianapolis (Sustaining Forces).

5. Calendar-Year End

a. The DFAS shall deposit unobligated balances exceeding \$4 million on December 31 to a U.S. Treasury General Fund Miscellaneous Receipts Account in accordance with subparagraph 160203 of this chapter.

b. Deposits to the account of proceeds from the preceding fiscal year shall not be made until after January 1 to allow sufficient time to manage new deposits efficiently.

c. The DFAS-Indianapolis (Sustaining Forces) shall report to the USAEC on the activity and balance of this account within 30 days after the end of each quarter.

C. Equipment Purchases

1. General. Equipment purchased shall be for commercial forest management use when purchased with forestry automatic reimbursable authority and for natural resources uses when purchased with DoD Forestry Reserve Account or Agricultural/Grazing automatic reimbursable authority. (See [Volume 12, Chapter 14](#).) Equipment purchases shall be coordinated fully with the organization equipment manager or equivalent.

2. Equipment Acquisition Process. Each purchase of equipment shall begin with an internal review of contract/buy/lease options, funding availability, and the potential for use of multipurpose equipment. The reimbursable authority is intended only to supplement routine procurement sources. Programmed equipment authority, such as Other Procurement, Army (OPA), shall be used for equipment. If the internal review justifies the need to purchase new equipment, then the general procedures outlined below shall be utilized.

a. The installation shall assure authority exists in the Table of Distribution and Allowances (TDA) or Common Table of Allowance (CTA).

b. The installation shall determine whether the equipment to be purchased is centrally managed by the Tank and Automotive Command (TACOM). The installation Property Book Officer (PBO) can make this determination by checking the equipment Line Item Number

(LIN) against the Supply Bulletin 700-20. If the equipment is not centrally managed and is less than the Capital Expenditure Limit, then the equipment may be purchased locally or through the GSA schedule.

c. If the equipment is centrally managed, then the TACOM shall conduct the purchase unless a waiver for local procurement is granted.

d. If the estimated cost of the equipment is greater than the capital expenditure limit, centrally managed or not, do not use OMA (Agricultural/Grazing, Forestry, or Forestry Reserve Account). The TACOM shall use equipment purchase authority, reimbursing OPA. The purchase may be finalized at the TACOM, or the authority may be returned to the installation for a local procurement with a local procurement waiver.