

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
NATIONAL BUSINESS CENTER  
DENVER FEDERAL CENTER, BUILDING 50  
P.O. BOX 25047  
DENVER, COLORADO 80225-0047

In Reply Refer To:  
5440/1334.1 (BC-610) P

September 22, 1998

EMS TRANSMISSION  
Instruction Memorandum No. BC-98-061  
Expires: 9/30/99

To: All Field Offices  
Attn: Field Office Forestry or Special Forest and Range Products  
Leads, and Field Accounting Personnel

From: Acting Director, National Business Center

Subject: Significant Changes to Procedures for Recording Timber Sales and  
Payments

There are currently inconsistencies in the way field offices record timber sales and timber payments. The IG has performed an audit of the timber sale process, resulting in a reconciliation project at the National Business Center (NBC) to bring the Timber Sales Information System (TSIS) and the Federal Financial System (FFS) into balance before the end of the fiscal year. The timber sales reconciliation project is an important part of the fiscal integrity of BLM and could affect the IG audit opinion on BLM Financial Statements. It is critical that BLM receive an unqualified audit opinion on the financial statements. Given the critical nature of this issue, the following changes are effective immediately in the procedures for recording timber sales and payments into FFS.

If a timber sale is recorded on a Form 5450-3, Contract For the Sale of Timber, Lump Sum Sale; or a Form 5450-4, Contract For the Sale of Timber, Scale Sale, the sale amount must be set up and a ledger card created in TSIS (these timber sales include timber bid sales, timber negotiated sales, timber salvage, timber sales with values under \$2,500, and timber scale sales, etc.). **When the sale is approved,** the dollar amount of the sale and the fund coding information must be recorded on a Form 5440-9, Deposit and Bid for Timber. This form must be sent to NBC within two working days of notification that the sale was approved. The amount from Form 5440-9 is entered in FFS and reported on the Unmatured Timber Sale Report (GL199A) as the outstanding timber sale contract amount.

If the bid deposit is a cash payment and received before the sale is approved, the money must be deposited into a suspense account (identify as a timber sale and use the sale ID, i.e., district, FY, and contract number). At the same time, the ledger card must be created in the TSIS and this amount entered as the bid deposit. Once the sale is approved, the money must be transferred out of suspense and recorded into FFS against the appropriate fund using a transaction type of **TS**. If there is a simultaneously approved sale and payment, record the sale on the Form 5440-9, create the ledger card and also record the payment on the Cash Receipt Document (CR) as a Transaction Type **TS**. Using the **TS** will reduce the outstanding timber sale amount and will be reported on the GL199A. GL199A must be reconciled on a monthly basis with the outstanding contract balances on the TSIS ledger cards. These procedures will keep the TSIS and FFS in balance.

If the value of the timber sale is modified (either an increase or a decrease), record this information on a Form 5440-9 and send it to NBC within two working days. The TSIS ledger card must be updated within two working days.

The Collections Reference Guide will be updated with new procedures to reflect these changes. For now, please insert a copy of this IM in the Collections Reference Guide at page 4-20.

At the end of Fiscal Year 1998, we will be making an adjustment to FFS to bring the general ledger into agreement with the unpaid balances of approved sales in the TSIS. Once this adjustment has been made, we will fax you a copy of the TSIS report of approved sales (Henry C Report). If you find any discrepancies, please contact NBC before attempting any corrections to the TSIS or to FFS. If you have already submitted a Form 5440-9 on sales that have not yet been approved, you must submit another 5440-9 with the unpaid balance of the sale, once the sale is approved. In addition, if you have submitted any cash receipt documents for payments for sales that are not yet approved, and you have coded the money to any fund other than suspense, **do not make any corrections to move the money**. Please call NBC for instructions on what to do.

Questions about this IM should be directed to Lori Wurgler, 303-236-7135, or Dorothy Butler, 303-236-6332.

Signed by:  
Ed Fritchie, Acting Director  
National Business Center

Authenticated by:  
Babette Larson  
Staff Assistant

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