

SPECIAL RECREATION PERMIT AUDIT TOOLKIT

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SPECIAL RECREATION PERMIT AUDIT TOOLKIT

Purpose

Toolkit This Special Recreation Permit (SRP) Audit toolkit is intended to serve as a guide for states and offices conducting commercial SRP audits. Each state is required to conduct periodic audits of their commercial SRPs. Because this is an ongoing program requirement, a toolkit was developed to help reduce redundancy, to help states and offices understand the audit process, ensure consistency and share other information. As the process is refined and new products are produced, the toolkit should be updated to reflect this information.

Audit A goal of Bureau of Land Management's (BLM) Priorities for Recreation and Visitor Services, 2003, is to provide for and receive fair value in recreation. Conducting periodic audits of the commercial SRP program is one method to ensure BLM is meeting this goal. Periodic audits will help BLM assure a fair, equitable, and consistent business environment for permittees, will assure that the American public receives fair market value from the commercial use of its public land, and will help BLM determine if we are applying the SRP Handbook regulations appropriately. More specifically, the objectives of the audit are to determine if the BLM has collected fees in accordance with the terms and conditions of the SRP, to evaluate the SRP holder's accounting system, and to determine the adequacy of BLM recordkeeping processes, procedures and actions pertaining to SRP administration.

Over the past several years, the BLM's Annual Work Plan has directed the states to complete statewide audits (contract by a certified public accountant) of their commercial SRP programs. More recent direction requires each state to conduct statewide audits every five years. States annual cost targets include funding to complete the required audits.

Authorities Audits are authorized by the terms of the SRP and 43 CFR 2932.55. ***When must I allow BLM to examine my permit records? (a) You must make your permit records available upon BLM request. BLM will not ask to inspect any of this material later than 3 years after your permit expires, and (b) BLM may examine any books, documents, papers, or records pertaining to your Special Recreation Permit or transactions relating to it, whether in your possession, or that of your employees, business affiliates, or agents.***

General Tips

1. Communication is imperative. Communication within the BLM (project manager, contracting, field offices, management), communication between the BLM and the contractor/auditor and the permittees, and communication between BLM and other interested parties (state licensing board, outfitter and guide associations).
2. Establish one BLM point of contact for the project. Direct all communications to this individual.

3. Understand that the audit will take a great deal of time on the part of the permittees (copying and shipping files, interview with auditor, exit interview with auditor and BLM). Respect their time and provide advance notice of the audit process, your expectations, a timeline, and communicate any changes in the process to them.

Process:

Pre Audit

1. Determine audit timeframe.
 - timeframe during which audit will be conducted
 - use season targeted for audit
2. Develop a timeline/milestones document. Consider funding availability/commitments, contracting timeframes, heavy workload/field season for field offices (FO) and permittees.
3. Develop and issue contract or task order. Work with contracting to select auditor.
 - Include dates from timeline/milestones document for tasks and deliverables
 - Build in enough flexibility for minor changes in schedule
 - Document will include number of audits to be conducted
4. Notify FO and State Office (SO) management of audit through Deputy State Director or state management team briefing.
5. Formally notify FOs of audit through Instruction Memorandum (IM). **See FO Audit Notification IM example.**

Include:

- Audit timeframe, purpose and end products
- Expected level of FO involvement
- FO deliverables and due dates
- Include a request for a prioritized list of permits each FO would like to see audited** based on:
 - compliance
 - suspected underreporting of revenue/use
 - complexity of permit
 - gross receipts over \$1,000
 - other management issues/concerns of FO

**If an FO or SO opts for a random audit instead of choosing permits based on these factors, request verification from the FOs that the permit information for the audit use season is accurate and up to date in RMIS.

Notify the general public, all permittees (for the audited use season), state licensing board and all outfitter/guide associations that BLM is conducting an audit in your state. Include timeframes and purposes of, authorities, penalties for non-compliance, and point of contact for audit. **See Media Release, Dear Permittee letter, State Board of Outfitters and Guides meeting examples.**

At a minimum, notify:

- General public notification through internet and media
- Permittee notification through “Dear Permittee” letter
- State licensing board through letter (recommend discussing audit with licensing board informally prior to sending letter, also advising board that BLM may be requesting applicable copies of their records for purposes of the audit)
- Outfitter/guide associations through a letter.

Provide talking points/communications plan about audit to management, recreation staff or others in the BLM who may be contacted about audit. **See Communications Plan example.**

Select permits to be audited. Select permits from FO prioritized lists or randomly select commercial permits from RMIS for audit. Compile a list of permits to be audited to include the following information for each permit:

- Name and Address of Permittee
- Permit Number
- Type of Permitted Activity
- Total Annual Receipts for audit use season
- Telephone and fax numbers
- E-mail address
- FO administering permit

Notify selected permittees via certified letter that they have been chosen to participate in the audit. These letters should be sent on SO letterhead, be signed by a manager and a courtesy copy sent to the administering FO. Also include in the notification letter:

- Audit timeframes
- Audit process information
- Name and contact information of auditor
- Permit information they need to provide to auditor
- BLM point of contact for the audit
- Authorities for requesting/obtaining this information
- Penalties for not providing information
- Request that copies of specific permit files be sent to the auditor upon auditor request

See Selected Permittee letter

6. Coordinate with contractor. Provide contractor list of permittees to be audited including:
 - Name of business
 - Contact name
 - Number
 - Address
 - Telephone and fax number
 - E-mail address
 - Provide contractor list of field office contact names, numbers and e-mail addresses.

7. Notify the FOs of the specific permits selected for audit administered by their office. Request FOs make copies of BLM permit files for selected permits. Request FOs send these file copies to auditor upon auditor request.

Audit

Auditor will maintain a log of all communications with and information collected from permittees and BLM.

1. Auditor will contact each permittee, requesting information about their permit, their business and accounting practices, and copies of specific permit files. Auditor will provide due date for receipt of this information.
2. Auditor will contact each FO to request copies of permit files and will provide a due date for receipt of this information.
3. The BLM will request any use or compliance data for each permit from the state licensing board, state the purpose of the request and that the information will be shared with the auditor. Send data to auditor. **See State Licensing Board data request.**
4. After receipt of BLM FO permit files and permittee information, auditor will begin audit for each permit.
5. If BLM permit files or permittee files are incomplete, the auditor will contact the respective party to obtain remaining files. If the permittee is unable/unwilling to provide files, the auditor will contact the BLM SRP audit project manager for assistance. The BLM project manager will:
 - Contact FO to inform permit administrator of inability to obtain files and that a letter will be sent from SO to permittee requesting files.
 - Send a certified letter to permittee including: **(See Permittee Warning Letter example)**
 - Purpose of audit
 - Authorities for audit
 - Request for copies of files

- Due date for files to be sent to auditor
 - Penalties for failure to comply with audit
 - Name, number and e-mail address of BLM SRP audit project manager
 - Courtesy copy to administering FO
6. The auditor will schedule field visits with the administering FOs and permittees to perform an exit conference. BLM (FO and the SRP audit project manager) and the permittee should participate in the exit conference with the auditor. The conference may be in person or via telephone depending on permittee availability and location of the permittee. Exit conference will include:
 - Permit/accounting issues found by auditor
 - Suggested methods of resolution to issues
 - Permittee comments on issues found through audit
 - Permittee comments/suggestions regarding BLM administration of permit
 - FO comments to permittee
 7. Auditor will meet with BLM (FO and the SRP audit project manager) to discuss issues/recommendations on BLM permit files.

Post Audit

1. Auditor will send a draft audit report for each permit audited to the BLM for review. The BLM project manager should coordinate with administering FO on BLM comments on draft report and provide comments back to auditor. Auditor will incorporate any BLM comments and will finalize reports.
2. Auditor will develop draft general report which summarizes statewide findings and send to BLM for review. The BLM project manager will comment on draft and return to auditor. Auditor will finalize general report.
3. Final reports for specific permits and general report will be sent to project manager.
4. Develop briefing for management summarizing audit findings.
5. Present findings to State Director. (**See State Director Briefing.**)
6. Present findings to management team, asking for their support in resolution of identified SRP program issues. (**See Management Team Briefing.**)
7. Distribute copies of individual permit reports and general report to FOs with transmittal explaining general findings of audit and next steps in resolution of audit (in Wyoming, our “next steps” was the development of an Action Plan to resolve audit issues).
8. Develop Action Plan with assistance of FOs. (**See 2008 Wyoming Recreation Workshop IB and IM SRP Audit Action Plan.**)

9. Present Draft Action Plan to management.
10. Finalize Action Plan and send to field under an IM.
11. Develop and distribute internally speaking points on the general findings of the audit, highlights of the Action Plan and emphasize the BLM's commitment to the SRP program and fair value/fair return.
12. Send to each permittee participating in audit a certified letter stating that the audit has concluded, thanking them for their time, emphasizing the BLM's commitment to the SRP program and fair value/fair return, and the following enclosures:
 - Individual permit report
 - General report
 - Action Plan
13. Send to each permittee who would not participate in audit a certified letter stating that the SO is recommending to the administering FO that the FO take administrative action against the permit for failure to comply with the terms and conditions of the permit. The FO should act on the SO recommendation on the permit.
14. Send to state licensing board and all outfitter/guide associations a letter stating that the audit has concluded, BLMs commitment to SRP program and fair value/fair return, and the following enclosures:
 - General report
 - Action Plan
15. Develop and issue media release stating that the audit has concluded, BLMs commitment to SRP program and fair value/fair return, general findings from audit, and highlights from Action Plan.
16. Implement Action Plan.

Examples:

Pre Audit

Field Office Audit Notification Instruction Memorandum

Media Release

Dear Permittee Letter

State Board of Outfitters and Guides meeting

Communications Plan

Selected Permittee Letter

Audit

State Licensing Board data request
Permittee Warning Letter

Post Audit

State Director Briefing
Management Team Briefing
2008 Wyoming Recreation Workshop Instruction Bulletin
Instruction Memorandum SRP Audit Action Plan

Action Plan

SRP Fact Sheet
Operating Plans

PRE-AUDIT

FIELD OFFICE AUDIT NOTIFICATION INFORMATION BULLETIN EXAMPLE

2930 (WY930)

Information Bulletin No. WY 2007-

To: Field Managers
Attention: Outdoor Recreation Planners

From: Acting Deputy State Director, Division of Resource Policy and Management

Subject: Audit of Wyoming Commercial Special Recreation Permits (SRPs)

DD: 05/04/07 and 05/11/2007

Purpose: The purpose of this IB is to provide information regarding an upcoming audit of commercial SRPs in Wyoming. The planned audit is necessary for several reasons: 1) Periodic audits are one of the ways BLM can assure a fair, equitable, and consistent business environment for permittees, 2) audits assure that the American public receives fair market value from the commercial use of its public land, 3) this audit will help us determine if we are applying the SRP Handbook regulations appropriately. The Federal Land Policy and Management Act established a national policy requiring the BLM to charge fees and assure a fair return to the public for the commercial use of public land. The Federal Lands Recreation Enhancement Act (FLREA) also gives BLM authority to charge fees for SRPs.

Background: The Bureau of Land Management's 2007 Annual Work Plan for the 1220 program directs, "States that have not completed a statewide audit (contract by a certified public accountant) of their commercial special recreation permit program within the past 5 years must do so." Wyoming is one of the states that is due for a statewide audit. The purpose of this audit is to determine how efficiently the program is being run and to determine if there are under/over payments as a result of inaccurate fee calculations by BLM, or as a result of underreporting by permittees.

The auditors will be contacting selected permittees to determine if the government has been properly paid for the use of public land authorized by SRPs. Auditors will focus on determining gross revenues related to permit use for the 2004 and 2005 season and will also be looking at claimed deductions and adjustments. The audit will begin in late May and end in August.

Policy/Action: The State Office will mail a letter to all commercial permittees notifying them of the upcoming audit. To facilitate this mailing, each Field Office should submit a complete contact and address list of commercial permittees that operated in the 2004 and 2005 season to the Wyoming Recreation Lead by **May 4, 2007**. If the commercial SRP information in the Recreation Management Information System (RMIS) is accurate and up-to-date for your Field Office, notice should be submitted in lieu of this list stating that your field office has reviewed the RMIS data and the commercial permittee contact information should be pulled by the State Office from that database.

Each Field Office should submit a list of commercial permittees to be considered for audit to the Wyoming Recreation Lead by **May 11, 2007**. Field Offices should provide a listing of at least five permits they request to be audited that represent a sampling of the type of activities permitted in their respective field office (e.g. river, outfitter and guide, OHV back country tours, therapeutic groups, etc.). We will focus our audits on permits with total annual receipts of \$500 and above. However, if there are concerns with suspected underreporting of permits with smaller annual receipts, they may also be submitted for consideration for inclusion within the audit.

The Wyoming Recreation Lead will compile a final list of 25 permits statewide. Each Field Office will have at least two permits audited. A second letter will be sent to these permittees notifying them that they have been selected for the audit. The letter will include information the permittee must make available to the auditor and general timeframes of the audit.

Specific permit information will be sent in advance to the auditor for their review from both the Field Offices and the permittees. The auditor will then interview the Outdoor Recreation Planner and permittee through field visits or telephone interviews.

If payment or other discrepancies are found, BLM will ensure proper payment or permit

compliance. Where results show that underpayment is the result of inaccurate BLM fee calculations, BLM will not attempt to retroactively collect fees from the permittee. However, steps should be taken immediately to correct how the fees are being calculated so that future fee calculations and collections will be accurate. Overpayments will be returned to the permittee immediately. BLM will retroactively collect where underpayments result from permittee error; a payment schedule can be negotiated.

A statewide summary of the commercial permit audit and copies of relevant audit reports will be provided to each Field Office upon completion of the audit.

Timeframe: Field Offices should provide a complete list of all commercial permittees or verification that their RMIS information is accurate by **May 4, 2007**. Each Field Office should provide a list of at least five commercial permittee recommended for audit no later than **May 11, 2007**. The listing should be provided in the following format:

- 1) Name & Address of Permittee
- 2) Permit Number
- 3) Type of Permitted Activity
- 4) Total Annual Receipts
- 5) Telephone and fax numbers (if applicable)
- 6) E-mail address

Contact: If you have questions or concerns regarding this IB, contact Jen Smith, 111-232-5186.

MEDIA RELEASE EXAMPLE

May 31, 2007

Contact: Joe Clyne (127) 909-6304

BLM to Conduct Special Recreation Permit Audit

The Bureau of Land Management (BLM) Wyoming State Office is preparing to conduct an audit of its commercial Special Recreation Permit (SRP) Program for the 2004-2005 Use Season. The audit is being conducted through an independent contractor and should be completed by early September 2007.

Periodic audits are usually conducted about every five years and are one of the ways the BLM can ensure a fair, equitable and consistent business environment for permittees. The audit is also intended to make sure that the American public receives fair market value from the commercial use of its public land. The audit will focus on reviewing total customer payments received by recreation permittees for goods and services for public land use authorized by an SRP.

Wyoming Recreation Lead Jen Smith said the audit benefits the public by determining whether the BLM's program is being managed correctly. "Through this audit, we will determine how

efficiently the program is being run and will determine if there are under/over payments as a result of inaccurate fee calculations by BLM, or as a result of underreporting by commercial recreation permittees who operate on BLM Wyoming," Smith said.

Smith also said this isn't the first time Wyoming has been audited, since the audits are required by the federal government. "Each BLM state is required to conduct periodic audits of their commercial recreation permits," Smith said. This is the second audit that will be conducted in BLM Wyoming."

A letter will be sent notifying all 287 permittees who operated in 2004-2005 of the audit, with a second letter going to 25 permittees, notifying them they have been selected for the audit. The letter will also include timeframes of the audit and information the permittee must make available to the auditor. At least 2 permittees will be audited from each of the 10 Wyoming Field Offices. Each permittee selected will be interviewed through either a telephone interview or field visit.

A statewide summary of the commercial permit audit and copies of relevant audit reports will be provided to each Field Office once the audit has been completed. Anyone with further questions about the upcoming audit can contact Jen Smith at (111) 232-5186 or at Jen_Smith@blm.gov.

-BLM-

DEAR PERMITTEE LETTER EXAMPLE

In Reply Refer To:
2930 (930)

Dear Commercial Permittee:

The Wyoming Bureau of Land Management (BLM) will be conducting audits of commercial recreation permits this summer for permits that were issued in the 2004-2005 Fiscal Year (October 1, 2004, to September 30, 2005). Periodic audits are one of the ways BLM can assure a fair, equitable, and consistent business environment for permittees. Another purpose is to assure that the American public receives fair market value from the commercial use of its public lands.

If your permit(s) is selected for audit, you will receive a notification letter along with a description of the audit process. The audit will focus on reviewing total customer payments received by permittees for goods and services for the public land use authorized by your special recreation permit.

Audits are authorized by the terms of your permit and 43 CFR 2932.55:

- (a) You (permittees) must make your permit records available upon BLM request. BLM will not ask to inspect any of this material later than 3 years after your permit expires.

(b) BLM may examine any books, documents, paper, or records pertaining to your Special Recreation Permit or transactions relating to it, whether in your possession, or that of your employees, business affiliates, or agents.

The attached materials may be helpful in preparing for the potential audit and include information about record keeping; definitions of terms used, including gross revenues; examples of the kinds of charges to include in gross revenue; and step-by-step examples of how to calculate fees due the BLM.

If you have any questions about the planned audit, please contact Jen Smith at (111) 232-5186 or at Jen_Smith@blm.gov.

Sincerely,

Jim X. Hope
Deputy State Director
Resources Policy and Management

1 Attachment:

1 – Commercial Special Recreation Permit Information

Letter sent to: See Attachment

**Understanding Fees for Commercial
Special Recreation Permits
Issued by the BLM in Wyoming**

Authority for Fees

The Federal Land Policy and Management Act established a national policy requiring the BLM to charge fees and assure a fair return to the public for the commercial use of public lands. The Federal Lands Recreation Enhancement Act also gives BLM the authority to charge fees for Special Recreation Permits (SRPs). All fees are deposited into a special account. This money is used to benefit the areas and programs where the fees were generated.

Commercial Recreation Use

Commercial use is defined as recreational use of the public lands and related waters for business or financial gain. Financial gain includes gratuities, donations, gifts, bartering, etc.

When any person, group, or organization makes or attempts to make a profit, receive money, raise funds for any purpose, amortize equipment, or obtain goods or services, as compensation for recreational activities occurring on public lands, the use is considered commercial.

Compensation for recreation services may come from participants and/or other sources.

An activity, service, or use is commercial if anyone collects a fee or receives other compensation that is not strictly a sharing of, or is in excess of, actual expenses incurred for the purposes of the activity, service, or use. Use is also commercial if any participant pays for a duty of care or an expectation of safety.

BLM's Commercial SRP Fee Policy

The Director of the BLM establishes fees, including minimum annual fees for SRPs for commercial activities, organized group events and competitive events. These fees are updated every three years. Currently (as of March 1, 2005) the minimum annual fee for these SRP's is \$90. The commercial use fee is three percent of adjusted gross revenue or the minimum fee, whichever is greater. *See Examples 1 and 2.*

For some institutional users such as university, school and community recreation programs, it may be nearly impossible to determine the gross revenue as enrollees are paying for tuition, room and board, lab fees, activity fees, etc., and there is revenue from other sources such as trust funds, endowments and tax revenue. In these cases, BLM may choose to use the organized group fee schedule and charge \$4/person/day. This approach is not used in situations where there is a clear fee for service being charged by the permittee.

Gross Revenue and Adjusted Gross Revenue

Gross Revenue means the total of all financial gains received by the permittee, its employees, or agents for goods or services provided in connection with commercial activities authorized by the SRP, whether or not provided on public land or related waters. Financial gain includes payments of money, revenue from sales of images or broadcast rights, on-site sales as well as gratuities, donations, gifts, bartering, trophy fees, etc., regardless of source.

Deductions from Gross Revenues From the total gross revenue, **deductions** are allowed for certain transportation and lodging costs incurred before the start of a trip and after departure at the end of a trip. These deductions **do not** include costs incurred between the permittee's headquarters or local community and the public land or for costs incurred during the permitted activity or trip regardless of public or private land status. These transportation and lodging deductions are only for **costs incurred by the permittee** for transporting and/or lodging the customer before or after the trip. They do not include transportation and lodging for the permittee or permittee's staff.

For allowable transportation deductions, the actual costs incurred may be deducted from total gross revenue, provided they are reasonable and consistent with local area charges.

Lodging costs paid for or borne by the permittee which are incurred on non-public land, before or after the permitted activity, may be deducted up to the actual amount paid, to the extent they are consistent with local community rates. Costs incurred for lodging on non-public land during the trip shall not be deducted; however, the time spent on non-public land may be applied to the discount for non-public land use.

If you think either of these deductions may apply to your operation, you should include a description in your operating plan and discuss the matter with the BLM recreation specialist who is administering your permit.

Discounts to the SRP Fee for Time Spent Off Public Lands

A **discount** may be allowed for time spent off public land or related waters which occurs between the time when a customer leaves a permittee's headquarters or local community at the beginning of a trip and when they return at the end of a trip. There shall not be any overlap or double deduction with transportation or lodging deductions above. Commercial permittees, who rent equipment, deliver, and pick-up customers on public land or related waters are not eligible for this non-public land use discount.

Discount for Non Public Land Use Table

Percent of Total Time on Public <u>Land or Related Water</u>	Fee <u>Reduction</u>	Multiplication <u>Factor</u>
Less than 5%	80%	.20
5 – 60%	40%	.60
61 – 100%	None	None

If you think your business may qualify for this discount, you should include a description in your operating plan and discuss the matter with the BLM recreation specialist who is administering your permit. *See Example 3 for a case where deductions and discounts apply.*

Deductions or discounts may never result in a fee that is less than the minimum SRP fee.

Other Fees Associated with Commercial SRPs

The following fees may apply to Commercial SRPs. If any of these fees apply, they are in addition to the standard commercial SRP Fee:

1. **Cost Recovery.** If more than 50 hours of staff time is required for processing a permit, cost recovery of direct expenses related to the permit will be charged. If the 50 hour cost recovery threshold is exceeded, then recovery of costs begins with the first hour. Pre-application consultation with the BLM does not count against the 50 hours, so it is to the permittee's advantage to engage in thorough consultation with the BLM prior to completing the application. Generally, cost recovery does not apply to most guide and outfitter SRPs. Cost recovery fees more commonly apply to large events. *See Example 5 for a case where cost recovery applies.*
2. **Application Fees.** Application fees are set by the State Director and are used to offset the costs of processing SRP applications. At the present time, Wyoming does not have any application fees for commercial SRPs.
3. **Assigned Site Fees.** BLM may charge an assigned site fee for exclusive commercial use of a site. Assignment of a site for commercial use does not preclude public use. The assigned site fee is specified in the BLM Director's national recreation fee schedule and is currently \$180 per site. A common example might be a base camp for a hunting guide.
4. **Exclusive use fees.** Normally, SRPs are issued for nonexclusive use of an area. If BLM determines that exclusive use is needed to protect public safety or to eliminate user and resource conflicts, the authorized officer may close the area to public access and use for the duration of the activity. The minimum exclusive use fee is equal to the assigned site fee. Fees are normally based on fair market value for exclusive use.

5. **Grazing Fees.** Fees charged for livestock grazing or trailing associated with an SRP will be calculated based on the grazing fee in effect at the time the SRP is issued.
6. **Special Area Fees.** BLM has several Special Areas where an SRP and fee is required for all recreational users. Wyoming currently does not manage any areas which require individual SRP fees. Commercial SRP holders operating in these areas are required to collect the individual SRP fees from their clients, and remit the individual SRP fees to the BLM at the end of their season. These fees are separate from the commercial SRP fee which is also required and calculated in the normal fashion. The Special Area SRP fee is not included as part of the gross revenue.

Payment Schedules

Fees due the government must be paid in advance of authorized use. For commercial users, if the estimated SRP fee exceeds \$1,000, periodic payments may be allowed as long as at least 25 percent of the estimated fee is paid prior to any use of the permit. For example, a permittee whose estimated annual fee is \$1,000 may pay \$250 at the beginning of the season, and schedule the remainder of the payments over the rest of the season. Specific payment dates will be established before issuing the permit. *See Example 4.*

Refunds

SRP fees are refunded if the activity or event is cancelled by the BLM. Examples might be the area has been closed due to a fire or law enforcement emergency. Otherwise the following apply:

1. Application and/or minimum annual commercial fees are not refundable.
2. For multi-year commercial permits, over-payment of fees will be applied to the following year's use. *See Example 2.* Refunds should be granted for overpayment of commercial fees for single year or one time permits.
3. Commercial use fees and fees for vending, competitive use, and organized group event use may be refunded less the direct cost of processing the permit, if the estimated use is less than calculated or the event or the permittee cancels the activity. If the event or activity is in a fully allocated area, and the cancellation occurs without sufficient time for the authorized officer to reallocate the use, the fees will not be refundable. The determination standard for a refund in this case is based on whether the permittee notifies BLM in sufficient time for the use to be reallocated regardless of whether or not it actually was reallocated. This time frame shall be established by the local Field Office.
4. When cost recovery is charged, all costs incurred up to the time of cancellation will not be refundable.

Examples of SRP Fee Determinations

Example 1-- MINIMUM FEE (Using March 2005 to February 2008 minimum fee)

Prior to the start of its use season, Leisure Tours informed BLM that it expected to have gross revenue of \$2,200 for commercial activities authorized by its Special Recreation Permit. Based upon this estimate of gross revenue, BLM first calculated an estimated fee by applying the percentage of gross revenue and arrived at an estimated payment of \$66 ($\$2,200 \times 0.03 = \66). BLM then determined that the appropriate amount due prior to permit authorization was the \$90 minimum annual fee because the minimum annual fee was larger than the calculated fee.

Leisure Tours paid the minimum annual fee. At year-end, in its post use report, Leisure Tours reported its actual gross revenue as \$1,710. As part of its closeout procedure for the year for the permit, BLM found that no additional fees were due.

FEE CALCULATION

Step 1 Determine gross revenue received by the permittee = \$1,710

Step 2 Multiply the gross revenue received by the commercial use fee percentage (3%).

\$1,710.

 x .03

\$ 51.30 fee due based upon commercial use percentage

\$90 minimum fee prepaid

\$ 0 balance due BLM

\$90 amount retained by BLM

Note: If the product of the gross revenue and the commercial use percentage is less than the minimum fee, then no additional payments are due and no further calculations are necessary.

Example 2 -- NO DEDUCTIONS OR DISCOUNTS

Prior to the start of its use season, Bigger Tours, an established land tour company with a multi-year permit, informed BLM that it expected to have total gross receipts of \$10,000 for a series of one-day commercial trips authorized by its Special Recreation Permit. In its discussions with the permittee and its review of Bigger Tours' operations plan and brochure, BLM determined that all authorized trips were planned to begin and end at Bigger Tours' office in Riverton, Wyoming and that 85 percent of the time spent on the trips would be on public land. Based upon the estimated gross receipts and the likelihood of no allowable deductions for transportation and

lodging or a discount for non-public land use; BLM calculated the pre-payment of fees to be \$300 (\$10,000 x .03). In its post-season use report, the company reported its actual gross receipts as \$8,850 and did not claim any discounts or deductions. At the end of the year, the owner of Bigger Tours informed the BLM that he intended to continue operations the following year. As part of its post use closeout procedure, the BLM reviewed the post use report submitted by the company and credited Bigger Tours \$34.50 towards the next season's use fee.

FEE CALCULATION

Step 1 Determine gross revenue received by the permittee = \$8,850

Step 2 Multiply the gross revenue received by the commercial use fee percentage (3 percent).

\$8,850.

X .03

\$ 265.50 fee due based upon commercial use percentage

Step 3 Subtract the fees pre-paid.

\$ 265.50

- 300.00 pre-paid

Step 4 \$ (34.50) over payment, credited to Bigger Tours towards next season's fees.

Example 3-- ELIGIBLE DEDUCTIONS AND DISCOUNTS

Big Joe Outfitter and Guide Company have a hunting guide business. They had 90 customers that paid \$1,000 each for the guide-hunting trip. They also rented camping supplies and equipment to their customers, charged them game processing fees, and sold them souvenir clothes. Gross revenue came to \$100,000. They paid an estimated fee prior to the season of \$1,600. Part of the \$90,000 collected in trip fees were costs associated with transportation and lodging at the beginning and ending of the trip (\$5,000). They traversed public lands 55 percent of the time and the remainder of the trip was on private land.

FEE CALCULATION

Step 1 Determine gross revenue received by the permittee = \$100,000.

Step 2 Subtract from the gross revenue determined in Step 1, all allowable transportation and lodging deductions claimed by the permittee and reported as part of total payments.

\$ 100,000
\$- 5,000 (transportation and lodging deductions, supported by receipts)
\$ 95,000

Step 3 Multiply the amount derived in Step 3 by the current commercial use fee percentage (3 percent in 2005) to derive the amount due BLM.

\$ 95,000.
 x.03
\$ 2,850 = total fees due for permitted activity

Step 4 To the amount derived in Step 3, apply any applicable discounts for non- public land and related water use.

\$ 2,850
 x.60 (from Discount for Time Off Public Land Table)
\$ 1,710

Step 5 Subtract any prepaid fees from the amount due BLM derived in Step 4 to determine the balance due.

\$ 1,710
-\$1,600 (amount prepaid)
\$ 110 balance due BLM

Note: Deductions and discounts must be documented by the permittee and approved by the BLM in advance of use occurring. Permittees are required to provide trip duration, itinerary, or other such information as may be specified by the BLM to support requests for fee reductions based on use of non-public lands or related waters.

Example 4 -- DEDUCTIONS, DISCOUNTS, AND PERIODIC PAYMENTS

Mega Fishing Expeditions, Inc. runs fishing trips on the North Platte and Green Rivers in areas administered by the BLM. Over the past several seasons, Mega Fishing Expeditions has averaged \$100,000 in gross revenue for activities authorized under its permit. Considering this past use, the company's past use of deductions, and the non-public land discount, BLM determined that since the estimated fee was greater than \$250, a periodic payment could be made. The BLM and Mega Fishing Expeditions agreed that Mega would pay 50 percent of their estimated use fee before the season, and the remaining 50 percent at mid season.

Mega Fishing Expeditions, Inc. had a better than expected year. In its post use report, the company showed gross revenue of \$110,650. As part of its close-out procedure for the year for

the permit, BLM allowed documented deductions of \$5,150 for pre and post trip transportation and lodging expenses that had been included as part of gross revenue. Mega Fishing Expeditions also showed with trip itineraries that customers spent an average of 55 percent of their time on public lands and related waters during their trips. Using the Discount for Non-public Land Use Table, BLM determined that 55 percent use on public lands or related waters entitled Mega Fishing Expeditions to a 40 percent discount for non-public land use.

EXAMPLE OF FEE CALCULATION

- Step 1 Determine gross revenue received by the permittee = \$110,650.
- Step 2 Subtract all documented allowable transportation and lodging deductions claimed by the permittee and reported as part of gross revenue.
- | |
|--|
| \$110,650 |
| <u>\$ 5,150</u> (subtract transportation and lodging deductions) |
| \$105,500 |
- Step 3 Multiply the amount derived in Step 3 by 3% to derive the amount due BLM.
- | |
|--|
| \$105,500 |
| <u> x.03</u> |
| \$ 3,165 = total fees due for permitted activity |
- Step 4 Apply any applicable discounts for non-public land and related water use. (permittee used public lands and related waters 55 percent of trip)
- | |
|--|
| \$3,165 |
| <u> x.60</u> (reflects discount from the Table) |
| \$ 1,899 |
- Step 5 Subtract prepaid fees from total due (Step 4) to determine balance due.
- | |
|---|
| \$1,899 total fee for season |
| - 855 amount prepaid, beginning of season |
| <u>- 855</u> periodic payment, mid season |
| \$ 189 = balance due BLM |

Example 5 --COST RECOVERY

Soaring Cliffs Resource Area has received an application from the local Chapter of Iron Men for a new permit for a rim-to-rim race across Gravel Gulch Canyon. This race is a fund raiser for charity. Each racer will pay a \$100 entry fee and receive two meals and a T-shirt.

The Iron Men estimate that 100 individuals will enter the contest, and that the event will last 3 days. The Canyon is known habitat for the six-toe lizard and an endangered species of the toad

flax genus. The local office will need a team of six individuals for an interdisciplinary team to conduct field surveys, write the environmental assessment, and monitor the race. The team estimates that they will need a total of 147 hours to process, administer and monitor the event.

FEE CALCULATION

Step 1 A spreadsheet like the one below is created outlining all the estimated costs of administering the permit. Hourly rates include leave surcharge and benefits.

Proposed Action for Iron Man Rim to Rim Race							
<u>Staff Costs</u>							
<u>Employee</u>	<u>Hourly Salary Rate</u>	<u>Applicati on Review</u>	<u>EA Development, Site specific survey Baseline Monitoring</u>	<u>Event Monitori ng</u>	<u>Post Event Monitorin g</u>	<u>Total Hour</u>	<u>Salary Cost</u>
		<u>(Hours)</u>	<u>(Hours)</u>	<u>(Hours)</u>	<u>(Hours)</u>		
Rec. Planner	\$38.93	16	16	16	4	52	\$2,024.36
Rec. Tech	\$22.36		8	16	12	36	\$804.96
Archaeologist	\$37.62	1	8		8	17	\$639.54
Wildlife Biol.	\$38.93		8		8	16	\$622.88
Botanist	\$36.45	1	8		5	14	\$510.30
GIS Specialist	\$38.93		12			12	\$467.16
Subtotal		18	60	32	37	147	\$5,069.20
<u>Other Costs</u>							Totals
Vehicles-\$36/1		1	10	4	6		\$756
Plotter		\$25	\$50		\$25		\$100
Lab costs			\$30		\$30		\$60
Copying		\$15	\$85				\$100
Postage			\$30				\$30
Subtotal							\$1,046
Total Estimated Cost Recovery		\$6,115.20 (\$5,069.20 + 1046)					

Step 2 . Estimate the SRP fee at the current rate for competitive events (3% of gross revenue)

100 participants X \$100 entry fee = \$10,000 X .03 = \$300.

Step 3 The applicant is notified that cost recovery applies and that a total payment of \$6115.20 will be necessary for the BLM to process the application and monitor the event. This amount must be received prior to the BLM investing any more time or effort on this event. The permittee will need to pay the estimated SRP fee of \$300 which will be due and payable in advance of the event.

STATE BOARD OF OUTFITTERS AND GUIDES MEETING

Wyoming Board of Outfitters & Professional Guides

June 15, 2007 Cheyenne Board Meeting – Hitching Post

1- Introduce myself

- My role as state lead
 - guidance to FOs
 - develop policy
 - work w/assoc and state board
 - other recreation program needs
- Why I am here
 - meet them
 - hear their concerns
 - introduce myself
- What I want from them
 - feedback
 - communication re: BLM's SRP program
 - ensure they are aware of BLM planning efforts

2- Hear from Board

- What they would like to see from BLM re: SRPs
- Opportunities for improvement (permitting process, operations, reporting, allocations)
- Other?

3- 2007 Commercial SRP Audit

WHY/AUTHORITIES:

43 CFR 2932.55:

(a) You (permittees) must make your permit records available upon BLM request. BLM will not ask to inspect any of this material later than three years after your permit expires.

(b) The BLM may examine any books, documents, paper, or records pertaining to your Special Recreation Permit or transactions relating to it, whether in your possession, or that of your employees, business affiliates, or agents.

Terms/Condition of obtaining an SRP 1.K. “The authorized officer, or duly authorized representative of the BLM, may examine any of the records or other documents related to the permit, the permittee or permittee’s operator, employee, or agent for up to 3 years after expiration of the permit.”

2007 AWP Recreation Program Directive from WO “States that have not **completed a statewide audit** (contract by a certified public accountant) of their commercial special recreation permit program within the past five years must do so.”

WHY:

- FLPMA requires BLM to charge fees and assure a fair return to the public for commercial use of public land.
- Helps the BLM assure a fair, equitable, and consistent business environment for permittees.
- Audits assure the American public receives fair market value from commercial use of its public land
- Audit will help BLM Wyoming determine if we are applying the SRP Handbook regulations appropriately.

WHAT: An auditor and the BLM will schedule an interview with BLM permittees (phone or in person). The audit will focus on reviewing total customer payments received by permittees for goods and services for the public land use authorized by your SRP for the 2004-2005 season. The BLM will receive a report for each permittee that is audited and one final report. The reports will contain information on BLM’s recordkeeping and application of the SRP regulations.

WHO: Twenty five commercial permittees statewide, at least 2 permits issued by each of our 10 BLM offices.

WHEN: All 2004-2005 commercial permittees were notified of audit in mid-May. Permittees selected for audit were notified in late May. Contracted auditor has been contacting permittees this week and will complete notification by early next week. Auditor will schedule interviews (phone or in person) with each permittee. Auditor will also meet with/interview BLM permit administrator.

HOW: The auditor will review the permittee’s internal controls, accounting practices and operating procedures. All record keeping deficiencies of both BLM and permittees shall be identified. The BLM will receive final report for each permit and entire state. The BLM will not see confidential permittee files.

COMMUNICATIONS PLAN

Wyoming Commercial Special Recreation Permit Audit

Prepared By: Jen Smith, Wyoming Recreation Lead

Date Prepared: 5/11/07

Last Updated: 5/11/07

Issue: The Bureau of Land Management, Wyoming State Office is preparing to conduct an audit of its commercial Special Recreation Permit (SRP) for the 2004-2005 use season. The audit will be conducted through an independent contractor.

Key Messages

- Periodic audits are one of the ways the BLM can assure a fair, equitable, and consistent business environment for permittees. Another purpose is to assure that the American public receives fair market value from the commercial use of its public lands.
- The audit will focus on reviewing total customer payments received by permittees for goods and services for the public land use authorized by a SRP.
- A letter will be sent to all permittees who operated in FY2004-2005, notifying them of the audit. A second letter will be sent to 25 permittees, notifying them they have been selected for the audit. This letter will also include timeframes of the audit and information they must make available to the auditor. At least 2 permittees will be audited from each of the 10 Wyoming Field Offices.
- Audits are authorized by the terms of each permit and 43 CFR 2932.55:
 - (a) You (permittees) must make your permit records available upon BLM request. The BLM will not ask to inspect any of this material later than 3 years after your permit expires.
 - (b) The BLM may examine any books, documents, paper, or records pertaining to your Special Recreation Permit or transactions relating to it, whether in your possession, or that of your employees, business affiliates, or agents.
- The auditor will interview each permittee selected for audit through telephone interviews or field visits.
- If payment or other discrepancies are found, the BLM will ensure proper payment or permit compliance. Where results show that underpayment is the result of inaccurate BLM fee calculations, BLM will not attempt to retroactively collect fees from the permittee. However, steps should be taken immediately to correct how the fees are

being calculated so that future fee calculations and collections will be accurate. Overpayments will be returned to the permittee immediately. The BLM will retroactively collect where underpayments result from permittee error; a payment schedule can be negotiated.

- A statewide summary of the commercial permit audit and copies of relevant audit reports will be provided to each Field Office upon completion of the audit.
- This project is being conducted through the Wyoming State Office. All questions related to this project should be directed to Jen Smith, Wyoming Recreation Lead.

Interested Stakeholder Groups

- BLM Wyoming Field Offices
- Wyoming Outfitter and Guides Association
- BLM Commercial Permittees
- Wyoming Board of Outfitters and Guides

Press:

Primarily local media

Contacts:

- Wyoming Recreation Lead Jen Smith, (123) 342-2334

SELECTED PERMITTEE LETTER

In Reply Refer To:

2930 (930)

CERTIFIED-RETURN RECEIPT REQUESTED

(See Attached)

Dear (See Attached):

This letter is to notify you that the Wyoming Bureau of Land Management (BLM) has selected (NAME OF PERMIT) for participation in a statewide commercial Special Recreation Permit (SRP) audit. The audit will focus on permits that were issued in the 2004-2005 use season.

The BLM's contracted certified public accountant, Tronconi Segarra & Associates LLP, will be contacting you to schedule a telephone interview, will inform you of what documents you need for the interview, and will be requesting a copy of your permit files for the 2004-2005 use season. Attached is an Auditor Information Request List which details files you are requested to send to the auditor at **Tronconi Segarra & Associates LLP, ATTN: Patrick J. Mathews, CPA, 6390 Main Street, Suite 200, Williamsville, New York 14221.**

The BLM Outdoor Recreation Planner who administers your permit will also be interviewed and the BLM's permit files will be reviewed. Upon completion of the audit of your permit, the auditor will conduct an exit conference with you and a representative of the BLM to discuss the findings and recommendations included in the draft audit report.

The audit will focus on reviewing total customer payments received by permittees for goods and services for the public land use authorized by your SRP. Audits are authorized by the terms of your permit and the regulations titled, Permits for Recreation on Public Lands; Final Rule and Proposed Rule (43 CFR 2932.55):

- (a) You (permittee) must make your permit records available upon BLM request. The BLM will not ask to inspect any of this material later than 3 years after your permit expires.
- (b) The BLM may examine any books, documents, paper, or records pertaining to your Special Recreation Permit or transactions relating to it, whether in your possession, or that of your employees, business affiliates, or agents.

The previous letter sent to you with the attached Understanding Fees for Commercial Special Recreation Permits Issued by the BLM in Wyoming should be helpful in preparing for the audit. If you have any questions about the planned audit, please contact Britta Hall, Wyoming Recreation Lead, at (307) 775-6106 or at Britta_Hall@blm.gov.

Sincerely,

Deputy State Director
Resources Policy and Management

Attachment:

1 – Auditor Information Request List

cc: Rec Lead, All Field Offices

Patrick J. Matthews, CPA, 6390 Main St, STE 200, Williamsville, NY 14221

Identical Letter sent to: See Attached

AUDIT

STATE LICENSING BOARD DATA REQUEST

In Reply Refer To:
8300 (930)

Ms. Jane E. Flagg, Administrator
Wyoming State Board of Outfitters and Professional Guides
1950 Bluegrass Circle, Suite 280
Cheyenne, WY 82002

Dear Ms. Flagg;

The Bureau of Land Management (BLM), Wyoming State Office would like to request copies of end of year logs for the attached permittees for the 2004 and 2005 season from the Wyoming State Board of Outfitters and Professional Guides.

As you know, the BLM is conducting a Special Recreation Permit audit this summer of selected BLM commercial recreation permittees. The audit is being conducted through a certified accounting firm with results being provided to the BLM. It is our intention to share the requested files with our auditor to assist in the audit.

The files should be sent to the address on our letterhead, attention Jen Smith. Jen can be reached at 232-545-0789.

Thank you for your assistance with this request.

Sincerely,

Deputy State Director
Resources Policy and Management

Attachment:

2004-2005 BLM permittees selected for audit

PERMITTEE WARNING LETTER

WY930 (2930)

Dear Commercial Permittee:

As you are aware, the Wyoming Bureau of Land Management (BLM) is currently conducting an audit of commercial recreation permits. The audit focuses on permits that were issued in the 2004-2005 use season. Your permit has been selected and you have received a notification letter along with a description of the audit process earlier this year.

Our records indicate that you have not fully complied with numerous information requests or have sent in partial information. This letter is to inform you that all requested information must be received by the auditor no later than August 24, 2007. If the auditor has not received the requested information by this date, the BLM Wyoming State Office will consider you to be operating at an unacceptable level of performance and will recommend immediate suspension to the permitting field office. Further non-compliance may result in the permanent termination of your privileges.

The audit is authorized by the terms of your permit and 43 CFR 2932.55:

- (a) You (permittees) must make your permit records available upon BLM request. The BLM will not ask to inspect any of this material later than 3 years after your permit expires.
- (b) The BLM may examine any books, documents, paper, or records pertaining to your Special Recreation Permit or transactions relating to it, whether in your possession, or that of your employees, business affiliates, or agents.

If you have any questions about the audit, please contact Jen Smith at 232-215-9801 or at Jen_Smith@blm.gov in the Wyoming State Office.

Sincerely,

Deputy State Director,

Resources, Policy & Management

POST AUDIT

STATE DIRECTOR BRIEFING

INFORMATION MEMORANDUM FOR THE STATE DIRECTOR

FROM: DSD, Resources, Policy and Management

TELEPHONE #: 307-656-8589

SUBJECT: Wyoming Statewide Special Recreation Permit Audit

I. INTRODUCTION

A BLM Wyoming statewide commercial Special Recreation Permit (SRP) audit was conducted in 2007. The purpose of audit was threefold 1) to assure a fair, equitable, and consistent business environment for permittees, 2) assurance that the American public receives fair market value from commercial use of public land, 3) help BLM determine if we are applying the SRP Handbook regulations appropriately.

Based on the findings of the audit, BLM Wyoming administration of its commercial SRP program is inconsistent with national policy. Findings include inconsistency in administration of the program and a general lack of attention to detail. Specific findings include:

- 1) Inadequate and inconsistent documentation of actual permit and its terms, conditions and stipulations.
- 2) Insurance coverage not always noted or inconsistent with BLM Handbook minimum annual requirements.
- 3) Various methods used to determine percentage of BLM land use on part of permittees.
- 4) Billing process not always completed in a timely and efficient manner.

- 5) Some Field Offices (FO) using outdated forms for post use reporting. FOs also using different SRP various form formats resulting in varying degrees of information given to the BLM.
- 6) Necessary documentation lacking for deductions or fee discounts.
- 7) Not all FOs verify accuracy of Post Use Report fee calculations.
- 8) A permit can be obtained from any FO even if activity occurs in another FO calling into question the FOs ability to adequately administer the SRP.
- 9) Permit holder operating under new entity (company) while SRP reflected previous entity.
- 10) In one office, permits did not contain signature of authorized officer.
- 11) Operating plans varied in content and structure. Some vague, some reference previously filed operating plans.
- 12) Performance evaluations not always documented in permittee files.
- 13) Certain permittees offer “compensated” or donated trips to customers. Develop strategy to determine fee for these trips to ensure fair return to US Government.

Each FO and participating permittee will receive a copy of relevant audit reports, the statewide General Audit report, and a summary letter from the BLM thanking them for their participation and explaining BLMs next steps for the program. The Wyoming Outfitter and Guide Association (WYOGA) and State Board of Outfitters and Guides will receive a copy of the statewide report and BLMs “next steps” letter. A summary of Wyoming’s findings will also be shared with the BLM Washington Office Recreation Division.

II. RECOMMENDATIONS

- 1) Determine that administration of recreation program in conformance with national policy is important.
- 2) Roll-out of report findings to the public in cooperation with WYOGA and the State Board of Outfitters and Guides.
- 3) Mandatory SRP administration training for all outdoor recreation planners or those who may administer permit program.
- 4) Implement audit recommendations on a statewide basis.
- 5) Revise statewide policy as applicable incorporating recommendations from interoffice SRP/NEPA issues.
- 6) Non-participating permittees should have administrative action taken against their permit.
- 7) Ensure proper payment or permit compliance.
 - If underpayment is result of inaccurate BLM fee calculations, the BLM will not attempt to retroactively collect fees from permittee. Steps should be taken immediately to correct how the fees are being calculated so that future fee calculations and collections will be accurate.
 - Overpayments will be returned to the permittee immediately.
 - The BLM will retroactively collect where underpayments result from permittee error.

III. BACKGROUND

Pursuant to the 2007 Annual Work Plan, BLM Wyoming conducted a statewide audit (May to Oct. 2007) of its 2004-2005 use season commercial Special Recreation Permit (SRP) program. Twenty five audits were conducted statewide, with at least 2 permits audited from each office. The 25 permits were chosen from 287 that were active during this use season. This represents 8.7 percent of the states active permits during that timeframe. Twenty one permittees participated in the audit while 4 permittees did not. The auditor did examine all 25 BLM permit records.

The audit was contracted to Tranconi Segarra & Associates (NY) for a total cost of \$31,250, or \$1,250 per permit, or \$625 per permit per use season.

Audits are authorized by the terms of the SRPs and 43 CFR 2932.55. a) Permittees must make permit records available upon BLM request, and b) BLM may examine any documents/records pertaining to SRPs or transactions relating to it.

WYOGA and the State Board of Outfitters and Guides were notified of the audit through a BLM presentation/Q&A session at their meetings.

PREPARED BY: Jen Smith, WY Recreation Lead

DATE: November 26, 2007

SAMPLE MANAGEMENT TEAM BRIEFING


Slide 1



Wyoming Statewide
Special Recreation Permit (SRP) Audit



Slide 2



The audit was conducted in 2007. The purpose of the audit was threefold :

- 1) to assure a fair, equitable, and consistent business environment for permittees,
- 2) assure that the American public receives fair market value from commercial use of public land,
- 3) help BLM determine if we are applying the SRP Handbook regulations appropriately.

FINDINGS: BLM Wyoming's administration of its commercial SRP program is inconsistent with national policy.

Findings include inconsistency in administration of the program and a general lack of attention to detail.



Specific findings include:

1. Inadequate and inconsistent documentation of actual permit and its terms, conditions and stipulations.
2. Insurance coverage not always noted or inconsistent with BLM Handbook minimum annual requirements.
3. Various methods used to determine percentage of BLM land use on part of permittees.
4. Billing process not always completed in a timely and efficient manner.

Slide 5

5. Some Field Offices using outdated forms for post use reporting. FOs also using different SRP form formats resulting in varying degrees of information given to BLM.

6. Necessary documentation lacking for deductions or fee discounts.

7. Not all FOs verify accuracy of Post Use Report fee calculations.



Slide 6

8. A permit can be obtained from any FO even if activity occurs in another FO calling into question the FOs ability to adequately administer the SRP.

9. Permit holder operating under new entity (company) while SRP reflected previous entity.

10. In one office, permits did not contain signature of authorized officer.



Slide 7



11. Operating plans varied in content and structure. Some vague, some reference previously filed operating plans.
12. Performance evaluations not always documented in permittee files.
13. Certain permittees offer “compensated” or donated trips to customers. Develop strategy to determine fee for these trips to ensure fair return to US Government.

Slide 8

RECOMMENDATIONS:

1. WMT determination that administration of recreation program in conformance with national policy is important.
2. Obtain response to findings/critique from Wyoming Outfitter and Guides Association (WYOGA) and State Board of Outfitters and Guides.
3. Roll-out of report findings and BLM’s response to findings to the public in cooperation with WYOGA and the State Board of Outfitters and Guides.



4. Mandatory SRP administration training for all outdoor recreation planners or those who may administer permit program.
5. Develop strategy and implement audit recommendations on a statewide basis in 2008.
6. Revise statewide policy as applicable incorporating recommendations from interoffice SRP/NEPA issues.
7. Non-participating permittees should have administrative action taken against their permit.



8. Ensure proper payment or permit compliance.
 - If underpayment is result of inaccurate BLM fee calculations, BLM will not attempt to retroactively collect fees from permittee. Steps should be taken immediately to correct how the fees are being calculated so that future fee calculations and collections will be accurate.
 - Overpayments will be returned to the permittee immediately.
 - BLM will retroactively collect where underpayments result from permittee error.



9. Utilize Wyoming's 2008 recreation workshop to develop strategy and train staff.

- National SRP Master Performer (national subject matter expert) can attend workshop and focus training on Wyoming specific issues.
- Develop strategy and implementation plan on how to bring SRP program up to standard statewide.




BACKGROUND:


- 2007 Annual Work Plan directive
- 2004-2005 use season
- Commercial Special Recreation Permit's only
- 25 audits conducted statewide, with at least 2 permits audited from each office
- 25 permits chosen from the 287 that were active during this use season
- Represents 8.7% of Wyoming's active permits during that timeframe
- 21 permittees participated in the audit while 4 permittees did not
- Auditor did examine all 25 BLM permit records

BACKGROUND (continued):

- Audit was contracted to Tranconi Segarra & Associates (NY) for a total cost of \$31,250, or \$1,250 per permit, or \$625 per permit per use season.
- Audits are authorized by the terms of the SRPs and 43 CFR 2932.55.
 - a) Permittees must make permit records available upon BLM request, and
 - b) BLM may examine any documents/records pertaining to SRPs or transactions relating to it.
- WYOGA and the State Board of Outfitters and Guides were notified of the audit through a BLM presentation/Q&A session at their meetings.



QUESTIONS?



2008 WYOMING RECREATION WORKSHOP IB



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

IN REPLY REFER TO:

Wyoming State Office

P.O. Box 1828

Cheyenne, Wyoming 82009-1828

8300 (930) I

March 4, 2008

EMS TRANSMISSION: 03/06/2008

Information Bulletin No. WY-2008-010

To: Field Managers
From: Deputy State Director, Resources Policy and Management
Subject: FY 08 Wyoming Recreation Workshop

The Wyoming Management Team (WMT) met on February 6, 2008, to discuss the Statewide Special Recreation Permit Audit. The briefing covered the audit purpose, findings, and recommendations. The 2008 Wyoming Recreation Workshop will provide a means of accomplishing several audit recommendations. The workshop includes mandatory Special Recreation Permit (SRP) training and development of an audit implementation strategy. WMT gave full support for completing all audit recommendations including those carried out at the workshop. The goal for the workshop is to provide SRP training and work sessions to improve standardization, consistency, and accuracy with administration of SRP program statewide.

The workshop is designed for Outdoor Recreation Planners and those who directly administer the SRP program. Successful completion of the SRP Computer Base Training, 8300-15 is a prerequisite for attending the workshop.

The workshop will be held at the National Historic Trails Interpretation Center, 1501 North Popular Street, Casper, Wyoming 82601. Beginning date for the workshop is April 1, 2008, at 8 a.m., concluding on April 4, 2008, at 12:00 noon. Rooms are available at the Holiday Inn on the River, 300 West F Street, Casper, Wyoming 82601; 307-473-3103. BLM has a block of 20

rooms reserved at government rate. Ask for Jane Done and tell her you are with the BLM-WY Recreation Workshop. The block of rooms will be held until March 16th. After March 16th the block will not be available.

Please RSVP by March 16th to Martin Hudson, detailee, during March for the Wyoming Recreation Program Lead. Email or phone 307-775-6106.

General Agenda:

April 1	8 a.m.-5 p.m.	Work sessions relating to Wyoming SRP Audit Findings
April 2	8 a.m.-5 p.m.	Recreation Permit Refresher Course, 8300-14
April 3	8 a.m.-5 p.m.	Recreation Permit Refresher Course, 8300-14
April 4	8 a.m.-12 p.m.	Work sessions relating to Wyoming SRP Audit Findings

Half of daily per diem and lodging costs for Wyoming Field Office Outdoor Recreation Planners and those who directly administer the permit program will be paid by the Wyoming State Office (WY930 1220 XM).

Please contact Jim Henderson, Outdoors Recreation Planner, at 307-585-9694 if there are any comments or questions.

Distribution

Director (250), Room 302 LS	1 (w/o atchs.)
CF	2 (w/atchs.)

IM SRP AUDIT ACTION PLAN



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

IN REPLY REFER TO:

Wyoming State Office

P.O. Box 1828

Cheyenne, Wyoming 82009-1828

8300 (930) I

March 5, 2008

EMS TRANSMISSION: 03/07/2008

Instruction Memorandum No. WY-2008-033

Expires 9/30/2009

To: Field Managers

From: Associate State Director

Subject: Action Plan for Wyoming Commercial Special Recreation Permit (SRP) Audit Findings

A 2007 Washington Office, Annual Work Plan directive initiated the Wyoming Statewide Commercial SRP audit. The 2004-2005 use season was selected as the audit timeframe. Twenty-five audits were conducted statewide with at least 2 permits audited from each Field Office. The 25 audited permits represent 8.7 percent of the active permits during the selected timeframe. Twenty-one permittees participated in the audit while 4 chose not to participate. However, the auditors examined all 25 Bureau of Land Management (BLM) permit records.

Please see attachment 1 for the audit recommendations agreed upon by the Wyoming Management Team as a course of action to resolve the audit findings. Attachment 2 contains the audit actions and timeline for implementing the recommendations.

Please contact Martin Hudson, Outdoor Recreation Planner, at 307-775-6106 if there are any comments or questions.

Signed by:

Acting Associate State Director

Authenticated by:

Wyoming Central Files

2 Attachments:

1 – Audit Recommendations (1 p.)

2 – Audit Action Summary and Timeline (3 pp.)

Distribution

Director (250), Room 302, LS
CF

1 (w/o atchs.)
2 (w/atchs.)

Attachment 1

Policy/Action

The following actions were agreed upon by the Wyoming Management Team to resolve the Audit Findings.

1. WMT determination that administration of recreation program in conformance with national policy is important.
2. Obtain response to findings/critique from Wyoming Outfitter and Guides Association (WYOGA) and State Board of Outfitters and Guides.
3. Roll-out of report findings and BLM's response to findings to the public in cooperation with WYOGA and the State Board of Outfitters and Guides.
4. Mandatory SRP administration training for all outdoor recreation planners or those who may administer permit program.
5. Develop strategy and implement audit recommendations on a statewide basis in 2008.
6. Revise statewide policy as applicable incorporating recommendations from interoffice SRP/NEPA issues.
7. Non-participating permittees should have administrative action taken against their permit.
8. Ensure proper payment or permit compliance.
 - If underpayment is result of inaccurate BLM fee calculations, BLM will not attempt to retroactively collect fees from permittee. Steps, as directed through the audit recommendation strategy, will be taken immediately to correct how the fees are being calculated so that future fee calculations and collections will be accurate.
 - Overpayments will be returned to the permittee immediately.
 - The BLM will retroactively collect where underpayments result from permittee error.
9. Utilize Wyoming's 2008 recreation workshop to develop strategy and train staff.
 - National SRP Master Performer (national subject matter expert) can attend workshop and focus training on Wyoming specific issues.
 - Develop strategy and implementation plan on how to bring SRP program up to standard statewide.

Attachment 2

Audit Action Summary and Timeline

The following summarizes actions BLM Wyoming is undertaking to develop and implement a strategy to remedy audit findings.

General Audit Action Summary and Timeline

1. Wyoming State Office (SO) Recreation Program Lead (Rec) develop timeframe to implement audit recommendations. DD February 29.
2. SO Rec and SO Public Affairs (PA) develop audit roll-out strategy. DD March 31.
3. SO Rec and PA draft a permittee letter explaining audit, findings, recommendations, and underpayment if applicable. DD March 31.
4. SO Rec set up meeting and present audit powerpoint and recommendation strategy to WYOGA and State Board of Outfitters. DD March 31.
5. SO PA mail audit permittee letter and congressional correspondence. DD: April, 11.
6. SO PA publish audit press release. DD April 18.
7. SO Rec establish workshop(s) to provide training and develop an audit implementation timeframe. DD February 29.
8. FO Rec complete SRP Computer Base Training, 8300-15 by April 1.
9. Team 1- Eve Bennett (CFO), Larry Gerard (BFO) and Wally Mierzejewski (KFO); and Team 2- Jared Oakleaf (LFO) and Shirley Bye-Jech (CYFO) develop actions to resolve audit findings. Status Report to SO Rec. DD April 30.
10. Jared Oakleaf (LFO) produce SRP key policy Fact Sheet for managers. DD April 30.
11. Field Office recreation planners (FO Rec) work with management team to enlist administration assistance with SRP workload. DD: April 30.
12. SO Rec send audit powerpoint presentation to FO Rec. DD: February 29.
13. SO Rec Status Report on implementing Audit General and Findings Actions by May 16.

The following summarizes the statewide audit report findings and concurrent corrective actions to be implemented on a statewide basis. Based on the findings in specific FO audit reports, additional action may need to be taken with specific individual permittees.

Statewide Audit Findings Action Summary

- 1) Inadequate and inconsistent documentation of actual permit and its terms, conditions and stipulations.
 - FO Rec send standard stipulations to SO Rec. DD February 25.
 - FO Rec send best operation plans to SO Rec. DD February 25.
 - FO Rec review Operating Plan for Commercial Outfitters and Competitive Permittees (WY 2932-7 (6/06)). DD April 1, or upon receiving new SRP application whichever comes first.
 - SO Rec review WY SRP booklet general stipulations for currency, adequacy and consistency as compared with FO general stipulations. DD March 31.

- SO Rec present general stipulations to WYOGA and State Board of Outfitters and Guides. DD March 31.
- 2) Insurance coverage not always noted or inconsistent with BLM Handbook minimum annual requirements.
 - FO Rec review BLM Handbook (2930-1) concerning insurance requirements. DD April 1, or upon receiving new SRP application whichever comes first.
 - SO Rec consult SO Records and Information Management on length of time to maintain insurance records. DD February 29.
 - SO PA correct online SRP application concerning fillable bond info. DD February 29.
 - 3) Various methods used to determine percentage of BLM land use on part of permittees.
 - Team 1- Research Montana flat rate fee. Status Report to SO Rec by April 30.
 - 4) Billing process not always completed in a timely and efficient manner.
 - FO Rec review BLM Handbook (2930-1) and WY SRP booklet billing process. DD April 1, or upon receiving new SRP application whichever comes first.
 - 5) Some field offices using outdated forms for post use reporting. Field offices also using different SRP form formats resulting in varying degrees of information given to BLM.
 - Team 1- Compare and evaluate BLM and State hunting post use reports for effectiveness. Status Report to SO Rec by April 30.
 - SO Rec present alternative BLM/State hunting post use report to WYOGA and State Board of Outfitters and Guides. DD May 16.
 - FO Rec review BLM Handbook (2930-1) and WY SRP booklet for current SRP forms. DD April 1, or upon receiving a new SRP application whichever comes first.
 - 6) Necessary documentation lacking for deductions or fee discounts.
 - Team 1- Include check list for deduction and fee discount on SRP annual evaluation check list. Status Report to SO Rec by April 30.
 - 7) Not all field Offices verify accuracy of Post Use Report fee calculations.
 - Team 1- Review BLM Handbook (2930-1) and WY SRP booklet verifying accuracy of post use reports. Status Report to SO Rec by April 30.
 - Team 1- Review BLM/USFS MOU concerning fee calculation for using USFS and BLM lands. Status Report to SO Rec by April 30.
 - 8) A permit can be obtained from any field office even if activity occurs in another field office calling into question the field office's ability to adequately administer the SRP.
 - Team 2- Devise strategy to resolve issue at Recreation Workshop. Status Report to SO Rec by April 30.
 - 9) Permit holder operating under new entity (company) while SRP reflected previous entity.
 - FO Rec review BLM Handbook (2930-1) and WY SRP booklet for permit renewal procedures, transfer and other appropriate topics. DD April 1, or upon receiving a new SRP application whichever comes first.
 - 10) In one office, permits did not contain signature of authorized office.
 - FO Rec will review BLM Handbook (2930-1) and WY SRP booklet for SRP authorizing procedures. DD April 1, or upon receiving a new SRP application whichever comes first.

- 11) Operating plans varied in content and structure. Some vague, some reference previously filed operating plans.
 - FO Rec send examples of best operating plan to SO Rec. DD February 29.
 - FO Rec review WY SRP booklet, Form WY 2932-7 (6/06) Operating Plan for Commercial Outfitters and Competitive Permittees for adequacy. DD April 1, or upon receiving a new SRP application whichever comes first.
 - FO Rec allow permittees to resubmit operation plan if there is no change in operation or activities. DD Immediately.
- 12) Performance evaluations not always documented in permittee files.
 - FO Rec review BLM Handbook (2930-1) and WY SRP booklet for performance evaluations. DD April 1, or upon receiving a new SRP application whichever comes first.
 - FO Rec draft correspondence stating permittee annual performance evaluation available upon request. DD April 1, or upon receiving a new SRP application whichever comes first.
- 13) Certain permittees offer “compensated” or donated trips to customers. Develop strategy to determine fee for these trips to ensure fair return to US Government.
 - SO Rec carry forward to national level team. DD March 31.

SRP FACT SHEET

Special Recreation Permit (SRP) Fact Sheet and Determination of Permit Need Matrix

- Issuance of SRPs is discretionary; an application may be declined, or a permit modified, if the issuing officer determines the permit does not meet the goals and objectives of the Field Office recreation program.
- SRPs are issued to manage visitor use, protect natural and cultural resources and to achieve the goals and objectives of the Field Office recreation programs as outlined in land use plans.
- SRPs are required for commercial, competitive, vending, special area and organized group use of BLM managed public lands.
- A commercial permit is defined as recreational use of public lands and related waters for business or financial gain.
- Applications for SRPs must be submitted no fewer than 180 days prior to the requested start date of the permit.
- Applications should be submitted to the BLM Field Office administering the public lands where most of the proposed use would occur.
- Fees vary by permit type. Fees are adjusted every few years; the minimum fee for 2008 is \$95
 - Commercial permit fees and vendor permit fees are calculated as 3% of the gross income or the minimum fee, whichever is larger.
 - Group and competitive fees are calculated as \$4 per person, per day or the minimum fee, whichever is larger
 - If a permit is of multiple types, the higher fee will be charged.
 - Some fees may be eligible for deduction, such as time off of public lands
- Permittees are required to have valid insurance coverage that meets the following minimum requirements (low-risk activities):
 - Minimum damage to property of \$30,000 (may be included in annual aggregate)
 - Minimum damage per occurrence of \$300,000 (persons, bodily injury or death)
 - Minimum aggregate of \$600,000
 - The insurance shall name the United States as additional insured
 - The BLM must be given 30 days notice before any cancellation or changes to the policy take place
- The authorizing officer can set increased minimum insurance amounts for higher risk activities.
- Commercial SRPs can be issued for time periods of one to ten years.
- The first year of a multi-year permit is considered probationary.
- SRPs do not create an exclusive right to use an area by the permittee, unless specified by the issuing officer.

- Hunting outfitters are required to obtain an outfitters license from the Wyoming State Board of Outfitters and Professional Guides (WBOPG) prior to the actual use period of the permit.
- Hunting permits are only applicable to hunt areas in which the permittee also holds WBOPG area authorizations.
- SRPs issued by the BLM are only authorized for permitted uses on BLM administered lands. General information and applications at: www.wy.blm.gov/recreation/srpermit.htm

Determination of Permit Need

Criteria	Permit Need Less Likely	Permit More Likely	Deny as proposed
Is the use appropriate to the site?	Yes, site very conducive to the proposed use, provided for in planning	Site is appropriate for group size and activity, not specifically provided for in plan.	No, site is not appropriate for use as proposed. Does not comport with recreation planning goals, violates ROS Class or experience prescriptions
Does the activity further the recreation program goals and objectives?	Yes	Yes	No
Is monitoring needed?	Nothing beyond one simple site visit	Monitoring beyond a onetime site visit required	Long term monitoring of one or more resources required
Health and Safety Concerns?	None	Concerns for event participants or other public land users.	Unmitigated, high risk to human health and safety. Unreasonable risk especially to non-participants
Bonding desirable to cover reclamation, damage to government property or resources	None	Bonding desirable or required	
Insurance desirable to protect the U.S. Government from claims by group participants or third parties?	No, liability exposure is negligible.	Insurance is desirable due to possible claims or property damage.	
Is the group size smaller than the defined requirements	Yes	No	

for needing a permit?			
Will the group be using fewer vehicles than the defined requirements for needing a permit?	Yes	No	