

**GRAZING FEE BILLINGS AND LATE FEE WAIVERS: ISSUES AND GUIDANCE**  
September, 2006

1. Grazing permittees and lessees are referred to as permittees throughout this document.
2. The bill due date is printed on the grazing bill and varies by bill type as follows:

BILL TYPE	DUE DATE
Advance Bill	Earliest date of grazing shown on bill.
Actual Use Bill	15 Days after bill date
Unauthorized Use Bill	Immediately
Non-permittee Bill	Immediately

**BACKGROUND INFORMATION**

- The late fee process was implemented in the grazing regulations that became effective in June 1988.
- From 1988 to 2001, a mailed payment was considered timely made if the envelope was postmarked on or before the last day of the grace period.
- On January 17, 2002, BLM changed previous policy (see WO Instruction Memorandum 2002-070) to require that BLM must receive payment before close of business on the last working day of the grace period. This remains current policy.
- On April 7, 2005, BLM transmitted the business rules and procedures to ensure timely and accurate processing of late fees (see WO Information Bulletin 2005-100).

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**TABLE OF KNOWN ISSUES AND GUIDANCE**

The below table summarizes the reasons provided by RAS users regarding why late fees for RAS bills have been waived since automation of the late fee process in March of 2005 and provides guidance regarding these known issues. Note that this table shows reasons that are invalid under current regulation and policy. The purpose of this list is to provide illustration of valid and invalid reasons for waiving late fees and the suggested solutions to address or avoid the issue in the future.

Ref.	Count	Issue (Reason Given for Waiver)	Valid?	Guidance
1	322	BLM did not apply payments to bills timely or correctly.	Yes	<ul style="list-style-type: none"> <li>• Apply payments to bills immediately upon receipt. Do not wait until the payment is deposited.</li> <li>• Cross-check to ensure that the payment is being applied to the correct bill.</li> </ul>
2	203	BLM processed or mailed the bill late.	Yes	<ul style="list-style-type: none"> <li>• Streamline field office processes so that bills are produced and mailed to the permittee in a timely manner.</li> <li>• Open the RAS bill window to 45 days. If an annual courtesy application is sent to permittees then the application window should be opened to at least 90 days.</li> </ul>
3	63	Bill due date was the same as the bill date	No	Unauthorized use bills are due immediately.
			No	If the permittee is the cause of the late billing (late application) and the earliest begin grazing date is in the past, then the bill will be due immediately and this is not a valid reason for a late fee waiver.
			Yes	If the BLM was the cause of the late billing see the solution for “BLM processed or mailed the bill late” (reference number 2, above).
4	34	BLM created a bill in error, or with errors on it.	Yes	Cancel or modify the invalid bill in a timely manner. Cancellation or modification of bills

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				with late fees also cancels the late fee.
5	34	BLM sent the bill to the wrong address.	No	The permittee is responsible to ensure that the BLM has the proper mailing address.
			Yes	BLM waives the late fee if it had the correct address but did not update RAS with it.
6	24	Permittee claims that bill was not received.	No	Send a reprinted bill with the late fee included.
			Yes	If the postal service returns billing, determine if return was due to BLM mislabeling the billing envelope. If so, waive the late fee.
			No	If examination of the returned billing envelope shows that the reason for the return was that the permittee did not have up-to-date address on record at the time the returned bill was sent, update BLM records to reflect the updated address, but do not waive the late fee (see ref. 5, above).
7	22	BLM staff error	Yes	Ensure that BLM billing and accounts procedures are followed.
8	21	The permit or lease was on hold or a transfer was underway (BLM generated bill in error).	Yes	<ul style="list-style-type: none"> <li>Set the RAS permit status field to HOLD to prevent bills from being produced.</li> <li>Bill the transferee with the RAS non-permittee bill feature to avoid waiting until the transfer is complete.</li> </ul>
9	18	Bill and payment crossed in the mail	No	BLM must receive payment before close of business on the last working day of the grace period. Postmarks are not used to determine timely payment.
10	17	Family crisis: Illness or death	No	See ref. 9 guidance. There are no provisions for extending due dates or waiving late fees in bureau authorities or guidance.
11	16	Payment was received late (1, 2, 7, 12 days).	No	See ref. 9 guidance.
12	11	Payment was for the wrong amount	No	<ul style="list-style-type: none"> <li>BLM must receive payment before close of business on the last working day of the grace period.</li> <li>Payment received should be applied to the bill</li> <li>Late fees will be assessed on any unpaid balance.</li> <li>Refunds will be issued for overages</li> </ul>
13	8	Payment was delayed in the mail	No	See ref. 9 guidance.
14	8	Bill was lost or overlooked by the permittee	No	See ref. 9 guidance.
15	8	Computer system error (RAS or CBS not available)	Yes	Permittees are not to be held responsible for problems resulting from BLM computer system problems.
16	5	No late fee statement was included on the bill	No	The late fee statement is included in the Standard Terms and Conditions on the last page of grazing permits and leases. (This requirement has been in the grazing regulations since June, 1988).
17	5	Bill payment was attempted on a non-work day	No	BLM must receive payment before close of business on the last working day of the grace period. Postmarks are not used to determine timely payment.
18	4	Bill delivery was delayed because of rural mail	No	<ul style="list-style-type: none"> <li>BLM must receive payment before close</li> </ul>

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		situation		<p>of business on the last working day of the grace period. Postmarks are not used to determine timely payment.</p> <ul style="list-style-type: none"> <li>• Solution: Mail bills to the permittee earlier to account for mail delay due to rural delivery.</li> </ul>
19	4	The permittee applied and was approved for total non-use after a bill for active use was produced.	Yes	<ul style="list-style-type: none"> <li>• Place the approved application for total non-use in the case file.</li> <li>• Do not create a bill for non-use.</li> <li>• Cancel the bill, this action also cancels the late fee.</li> </ul>
20	4	BLM misfiled payment.	Yes	<ul style="list-style-type: none"> <li>• Permittees are not assessed late fees caused by inaccurate BLM processes.</li> <li>• Solution: ensure that BLM staff follows accounts protocols for safeguarding receipts.</li> </ul>
21	3	Permittee provided wrong credit card number.	No	<ul style="list-style-type: none"> <li>• Permittees must insure that the credit card information provided to the BLM is correct.</li> </ul>
22	3	Permittee sent payment to the wrong agency or address.	No	<ul style="list-style-type: none"> <li>• Several offices have found it cost effective to include a business reply envelope (with the BLM office address on it) with the bill to ensure that the payment is delivered to the correct office and payment is not returned to the permittee because of an illegible address.</li> </ul>
23	3	BLM bill formatting error - Begin date on exchange-of-use or non-use lines was earlier than the active use lines.	Yes	<ul style="list-style-type: none"> <li>• Bills, where exchange of use begins earlier than active use, must be paid by the earliest begin grazing date on the bill (the bill due date), not the earliest begin grazing date for active use.</li> <li>• Do not include non-use lines on bills.</li> </ul>
24	2	BLM did not mail bill to permittee because it was incorrect or produced in error.	Yes	<p>However, a waiver would not have been necessary. The incorrect bill should have been canceled. A waiver is not required if the bill is cancelled.</p>
25	2	BLM provided a “courtesy waiver.”	No	<p>BLM must receive payment before close of business on the last working day of the grace period. Postmarks are not used to determine timely payment. BLM managers do not have authority to issue “courtesy” waivers.</p>
26	2	Local BLM manager determined that it was not cost effective to pursue late fee	No	<p>Field managers have not been delegated the authority to determine whether or not to bill based on an independent assessment of cost-effectiveness.</p>
27	2	Negotiation of settlement for resolution of unauthorized grazing use was underway.	Yes	<p>Bills for unauthorized should not be produced until all negotiation activities have been completed.</p>