

Cruise Base Billing Presentation – DOIT Meeting January 19, 2012

- Why are we here?
- Some of the Common Errors
- What's New
- Completing a Cruise Base Submission
- Procedural Changes, Review and Updates
- BC Timber Sales, Kamloops Business Area, Process for Final Billing of Lump Sum Timber Sale Licences
- Change to the Forest Act Section 106 “Cruise Instead of Scale”.
- Nice to Know
- Comments, questions or concerns

Why are we here?

- Increased cruise base workload – Processed 116 submission reviews from January 1 to December 31, 2011. Currently have 46 blocks waiting to commence harvest (other duties RP/RUPs, check cruising, appraisals).
- Could no longer track and reconcile like I did in the past – re-enter volumes into a spreadsheet and track NIL reports.
- Need to simplify and streamline our process to ensure I can meet the Ministry requirements client needs.
- To get consistency between clients.
- Looking for input to assist in creation of a one-page step by step process clients can easily follow.
- Try to reduce common errors which will subsequently reduce overall workload.

Some of the Common Errors

- Scale site incorrect 2093
- Scaler Licence number K999
- Return number incorrect
- Incorrect Billing Date – should be the last day of the previous month.
- Returns not released
- Volumes submitted exceed compilation volumes
- Rounding errors in final reconciliation. Completed a cancel and replace for a sale that rounded the final billing to 6500 m³, should of been 6506.468 m³, a rate of \$13.57 made a difference of \$87.93 in the final billing.
- Duplicate invoices – one client sells permit to another and they both entered volumes.
- Inconsistent summaries submitted for area of harvest – i.e. first submission indicates 34/50 ha. logged, second submission 30/50 ha. harvested and no harvest had occurred on this month and they were submitting a NIL report.

What's New – Cruise Base Billing information now on the Cascades District website <http://www.for.gov.bc.ca/dcs/> - handout

Completing a Cruise Base Submission – Jason Carmichael

Procedural Changes, Review and Updates

Key information from Regions “Cruise Base Billing Procedures”

- Cruise based billing data is submitted either directly online in HBS or on the paper Volume Estimate - Cruise form (FS 699) for keyed data entry
- It is recommended that the last billing for the sale have a Notation of ‘Sale Completed’ so it’s clear when the billing is complete for the cutblock/timber mark.
- Billing Code 7 = the cruise net live species volumes, which includes tree classes 1, 2, 5 and 8.
- Billing Code 8 = the cruise net dead potential species volumes, which includes tree classes 3, 7 and 9.
- Once the cutting authority has been issued and felling has commenced, the licensee must submit a monthly progress report by cutblock to the MFR (District, Region or BCTS) office by the 7th working day of the following month. When no timber is felled, a “nil” report must be submitted.

All progress reports will list the:

- a. licensee’s estimate of the area on which the timber has been felled by block, and
 - b. timber volume felled, by species and billing code in the last month.
- MFR staff will validate the area on which the timber has been felled. A Volume Estimate - Cruise (FS 699) form will then be prepared and entered into HBS. Copies of the package can be made and filed at the **district** or regional office.
 - A cruise based billing ledger will be used by the **district** or region to track all types of cruise based monthly billings.
 - Final results that show the finished **Volume Estimate Return – Cruise** in Ready status awaiting billing.

BC Timber Sales, Kamloops Business Area, Process for Final Billing of Lump Sum Timber Sale Licences – Handout

- Clients to review and provide Rene' Pike with comments via e-mail – Rene' will pass on to the DOIT committee to assist in the creation of a draft document for our clients final review and comment.

Commencement of Harvest Notifications from all clients are to be cc: to Castenwo@gov.bc.ca

Change to the **Forest Act Section 106** “Cruise Instead of Scale”.

Cruise instead of scale (prior to November 13, 2011)

106 The amount of stumpage payable on Crown timber

(a) may, with the approval of the minister, or

(b) must, in the circumstances provided for in the policies and procedures referred to in section 105 (1)

(c) be calculated using the information provided by a cruise of the timber conducted before the timber is cut, instead of the volume reported in a scale of the timber made under Part 6

Cruise instead of scale (Date of Royal Assent November 13, 2011)

106 (1) The amount of stumpage payable on Crown timber

(a) may, with the approval of the minister, or

(b) must, in the circumstances provided for in the policies and procedures referred to in section 105 (1)

(c), be calculated using the information provided by a cruise of the timber conducted before the timber is cut, instead of the volume reported in a scale of the timber made under Part 6.

(2) For the purposes of calculating the amount of stumpage payable using information provided by a cruise of the timber conducted before the timber is cut, the minister may require the holder of an agreement to submit the following information to the government:

(a) some or all of the information provided by the cruise of the timber;

(b) an estimate, in hectares, of the size of the area from which the timber is cut;

(c) any other information the minister considers necessary.

(3) The holder of an agreement who is required under subsection (2) to submit information to the government must submit the information in the manner and at the times required by the minister.

Nice to Know

- New file number to be used on all cruise base permit submissions:
20600-15/A18698 CP P04
- NIL reports are only required when harvest has commenced on the cutting permit. Once the permit is complete NIL reports are no longer required.
- Branch currently working on procedures and the new Admin remedy penalty has to be signed off by the Minister. Submission requirement date will remain the same, 7th working day of each month.
- BCTS contact for Final Billing reconciliation is Lori Dewart.

Comments, questions or concerns?