

Clarification on the new Supplemental Guidance for the Financial Accounting Stipulations

This additional clarification attempts to further define what each component of the new financial accounting stipulations required by Oregon/Washington BLM represents. By no means does this additional clarification capture all of the nuances that a business proprietor must consider when keeping their financial records.

Table 1 portrays what a Customer Receipt Deposit Log might look like for a permit holder that has multiple BLM permits. If the permit holder only has one BLM permit the Location Identifier would always be the same.

Supplemental Guidance	Additional Clarification
<p>The Permit Holder must maintain the following internal accounting records pertaining to the authorized use on each permit for a minimum of three years after the expiration of the permit. The accounting records must be <u>readily discernable</u> from accounting transactions with other permits, or business endeavors.</p>	<p>Regardless of the type of accounting system used, all financial records must be maintained in a format that allows for the accounting transactions (payments received) to be separated by individual BLM permits, and /or separate transactions from other business endeavors that have no relationship to the BLM permit(s).</p> <p>Simply stated, the BLM is only interested in financial transactions that directly relate to the authorized use under each BLM permit. If the transaction includes non-BLM permit related sales (e.g. a store front that sells food and other purchasable items), an itemized receipt must be used.</p>
<p>A record keeping procedural outline or process plan.</p>	<p>At a minimum, each BLM permit holder must describe, in writing, their standard operating procedures in how they conduct their financial accounting processes as it relates to their permit(s). This should include the type of accounting software (if used); their ledger or bookkeeping process; their collection and deposit process (both cash and other payments method); and how they store or keep their records.</p>
<p>Customer receipt deposit log <u>or similar detailed information.</u></p>	<p>A customer receipt deposit log is a form of financial record keeping that assists the BLM permit holder in organizing each transaction that occurs. Financial transactions reflect individual client payments made by credit card, check, cash, or any other payment method. The deposit log could simply be a paper spreadsheet, or some form of accounting software. At a minimum, it should include the following items (some items may be combined in your accounting method):</p>

1. Customer identifier.	This is simply an identifier that can tie each individual financial transaction to a specific customer. The transaction could be tied to one or more persons, but represents a single financial transaction (payment). For example one transaction may consist of payment for 1 client, or a family of 4. The identifier can be alpha based, numeric, or any other such form as long as it can be tied to an individual financial transaction (receipt).
2. Location identifier.	This is simply an identifier that ties the individual financial transaction to a specific BLM permit. This could be represented by the name of the event, the name of the area where the permit is authorized, the name of a river where the use is authorized, or a specific segment of a river (e.g. wild section Rogue River vs. recreation section Rogue River).
3. Deposit date.	Actual date the deposit of each financial transaction occurs into a banking institution. This may also include daily credit card transactions.
4. Gross fee	Total amount of an individual financial transaction which may include credit card, check, cash, or any other form of payment. This fee totals the payment made on each specific date, even if multiple payments are made for a single trip over the course of time. If the transaction includes non-permit related sales (e.g. a store front that sells food and other purchasable items), an itemized receipt must be used. This allows an auditor to discern the fees associated with the BLM permit, and other non-permit related sales.
5. Fee reduction, credit, or discount	This reflects any changes to the gross fees paid on each specific date if that payment includes any reduction, credit or discount that differs from the normal advertised price even if multiple payments are made for a single trip over the course of time.
6. Deposit amount	Total amount of the gross fees deposited per transaction into a banking institution which may include credit card, check, cash, or any other form of payment. This amount may vary from the gross fee (#4) and the subtotal (#7) if cash sales are not deposited. Credit card transactions may be considered "deposited" when approved.
7. Subtotal after each customer	Total amount of each financial transaction (payment)

transaction	minus any fee reductions, credits, or discounts (#5). This is also the column where cash payments are made if they are not deposited. If the transaction includes non-permit related sales (e.g. a store front that sells food and other purchasable items), an itemized receipt must be used. This allows an auditor to discern the fees associated with the BLM permit, and other non-permit related sales. It also helps during a financial audit to note the form of payment which can be done in the subtotal column.
8. Grand total after each deposit	Includes the grand total amount per batch deposit (i.e. all transactions listed on line 6 per deposit). This should reflect the entire amount deposited on your normal deposit schedule (e.g. if you do daily, weekly, or monthly deposits). This can also capture daily credit card transactions.
9. Grand total of year-end receipts	Includes grand total of all individual financial transactions (receipts) which may include credit card, check, cash, or any other form of payment during the BLM permit(s) authorized period, or on an annual basis. If the transaction includes non-permit related sales (e.g. a store front that sells food and other purchasable items), an itemized receipt must be used.
Corresponding monthly bank statement ledgers to the customer receipt deposit log or other compensation attributed to activities conducted under the permit	Monthly bank statements depicting deposits are utilized to cross-check the information on the customer receipt deposit log to determine the accurate amount of gross fees associated with each BLM permit(s) authorized use. If personal and business banking accounts are comingled, these records will still be required for the audit.
Price advertisement sheets.	Prices for services authorized by the BLM permit.
Customer reservation listings or event registration sheets.	This could be represented by the customer receipt deposit log, any form of booking transaction, or for an event (e.g. running, cycling) a copy of the registration sheets.
A record of all financial relationships with booking agents, advertisers, subcontractors, etc.	Simply a documented record when using booking agents, other advertisers, or subcontractors where financial transaction occur in relation to each BLM permit(s) authorized use. This should include all 1099 Forms if independent subcontractors are used. When utilizing some form of booking agent, the documentation should include the type of financial relationship that exists (e.g. what is the commission fee, etc.).

<p>A record of all receipts or compensation including payments, gratuities, donations, gifts, bartering, etc. that is received from any source not captured in the customer receipt deposit log for activities conducted under the permit.</p>	<p>All forms of compensation (e.g. cash sales) related to the BLM permit(s) not deposited nor reflected on the deposit log need to be tracked in their own bookkeeping format. This information combined with the deposit log will determine the gross receipts for the BLMs authorized use.</p>
<p>A record of all payments made by the Permit Holder that are claimed as a deduction in the Permit Holder fee submission. Records consist of receipts, debit transaction logs, bank statements, etc.</p>	<p>For commercial use, deductions from gross receipts are allowed for actual transportation and lodging costs incurred by the permittee before the client's arrival at the beginning of a trip, and after departure at the end of a trip. If the financial transaction includes these deductions, they must be supported by itemized receipts.</p>
<p>W-2 records or other similar records of employment for all employees conducting activities under the permit.</p>	<p>Simply reflects the employees utilized to conduct services under the BLM permit. These would be compared to the 1099's for subcontractors to determine if the BLM permit holder is maintaining operation control of the authorized use.</p>