

Wells Gray Community Forest Corporation Policy

Policy Title: Silviculture Accrual

Policy Number: 2012-9

Date Approved: April 5 2012: Revised Feb 2013

PURPOSE: To establish a policy governing Silviculture Accrual.

SECTION 1 – PURPOSE

The Silviculture Accrual documents the Community Forest's outstanding financial obligations for Silviculture activities on each of its harvested blocks. It is imperative that the General Manager (GM), under contract to the Corporation, and Board maintain accurate, up to date estimates of the projected costs to complete these obligations. Whenever the Board reviews its financial position, these silviculture fund obligations must be clearly identified. **These funds are for their intended purpose and are not available for other purposes.**

SECTION 2 – SILVICULTURE ACCRUAL

The Silvicultural Accrual documents, on a block by block basis, the estimated current cost to complete the phases of silvicultural work that are projected to be required to meet the WGCFC's Silvicultural contractual obligations. These estimates do not include costs tied to catastrophic events (this will be dealt with as per Financial Policy 2012-8 Sect 4.1.2.e). These costs are documented in the GM's Silviculture Accrual Spreadsheet.

- 1 When a cut block is being developed, the General Manager (GM) will identify the hectares to be Reforested (NAR).
- 2 The cost / hectare will be determined for the silvicultural phases including:
 1. Seed purchase,
 2. Seed sowing and growing of planting stock (nursery costs),
 3. Site preparation for planting where necessary,
 4. Planting,
 5. Potential brushing,
 6. Surveys (planting quality, regen and follow up surveys (2nd and 8th year, free to grow yr 10) and
 7. Total.

- 3 During the Annual Plan & Budget (AP&B) process, identify the Silviculture Accrual (\$) for the blocks planned for harvest that year, by block and phase. Identify the months these accruals will be incurred and record them in the Annual Budget by Month form. These numbers will be entered by the bookkeeper into the accounting system as “Annual Plan” numbers.
- 4 These costs are entered in the GM’s “Silvicultural Accrual” spreadsheet that documents the above costs for all harvested blocks and all blocks planned for harvesting that year.
- 5 At the end of each year (Oct 31), the accrual numbers for all harvested blocks will be reviewed and based on the past year’s costs, amended if necessary. This confirmed number will be the starting position for the subsequent year’s AP&B.
- 6 As expenses are incurred through the year, they will be coded to the appropriate block and phase.
- 7 Once a block has been planted, the GM will compare the projected cost by phase for that block with the actual cost. This will typically be done at the end of the year (see #5). The Silvicultural Accrual Balance Sheet will be updated. If the work has been completed for less than the projected cost, the GM will amend the year end accrual number (item 5) accordingly.

SECTION 3 – RESPONSIBILITY

The General Manager is responsible to:

1. Maintain the Accrual Spreadsheet documenting the projected silvicultural expenditures for every block by phase.
2. Prepare the AP&B and give the silviculture accrual information to the bookkeeper.
3. Keep the Board updated on any significant changes to the silvicultural accrual. This will typically be done Oct 31.

SECTION 4 – REPORTING TO THE BOARD

The treasurer is responsible to present the monthly financial statement to the Board clearly showing the funds allocated for silviculture obligations.