

## **CLASS I SALES**

**5043**

(May 1988)

In accordance with provisions of PRC §4560, the Director of General Services has authorized the Director of Forestry and Fire Protection to make sales of forest products from state forests at prevailing rates without advertising for bids or getting further approval from the Department of General Services in instances when the CDF director considers it not in the best interest of the state to secure bids and when the products available for sale do not exceed \$10,000 in value or 100,000 board feet, whichever is greater. The \$10,000 limit applies to sales with a stumpage rate of \$100/MBF limit applies to sales with a stumpage rate over \$100/MBF. The exemption from General Services' individual sale approval further limits noncompetitive sales to a maximum of \$25,000; therefore if the stumpage rate exceeds \$250/MPF, the \$25,000; therefore, if the stumpage rate exceeds \$250/MBF, the \$25,000 limit applies.

## **DELEGATION OF AUTHORITY**

**5043.1**

(May 1988)

The director delegates to each region chief the authority to make Class I sales without the benefit of the formal bid procedure if they do not exceed the limits set in Section 5043 of this handbook and in PRC §4650.

The region chief, at his/her discretion, may delegate to subordinate officers the authority to make Class I sales within the same limits, or he/she may make any restrictions on such sales that are advisable.

## **SALE RESTRICTIONS**

**5043.2**

(May 1988)

Class I sales must be of a miscellaneous, noncompetitive nature and made at the prevailing rates for comparable products in the general locality whenever feasible ([see Section 5045.1.4](#)). Repeated similar sales to the same individual will not exceed the single sale value or volume limits set in Section 5043 and PRC §4650 during any one calendar year because such action may be considered collusion to circumvent the law.

### **Minimum Fee**

A Class I timber sale will not be made for less than \$10. This minimum charge is necessary to offset costs, even when only small volumes of miscellaneous forest products are involved. Care must be taken in conducting sales for small amounts of timber or miscellaneous forest products to keep the costs of handling such sales within reasonable proportion to the income generated. Even though in some cases there can be other benefits accruing to the state besides income for a prospective sale, such Class I sales will not be made for less than \$10.

## **Standard Rates**

Standard rates are the lowest rates at which timber or miscellaneous forest products may be sold when either stumpage appraisal (see Section 5045.1.2) or appraisal by comparison to other local sales (see Section 5045.1.4) is not feasible.

Standard rates to be used in each state forest will be reviewed annually by the forest manager, region chief, and Director to ensure that rates are current, equitable, and proper. A schedule of standard rates, using flat rates to determine price, must first be approved by the Director for each state forest where

Class I timber sales are made. Such proposed standard rate schedules for the coming year would be submitted annually, by December 1, to the Director for approval. Class I sales may be made at less than approved standard rates only when the state clearly receives offsetting benefits from such sales.

## **TIMBER SALE PERMIT**

**5043.3**

(May 1988)

A Class I Timber Sale Permit (form RM-21) generally will be used in making these small sales. A receipt for payment is included as a part of each permit printed after September 1982. These forms are prepared in quintuplicate. The original and a duplicate copy of the form are forwarded independently of payment documents to the Director's office at the time payment is accepted, and they serve as a check upon the routing of the collection report. One copy is furnished to the operator as a permit, and the other two copies can be used when folded as a card record in conjunction with a file of Timber Sale Card Records (form RM-20) at the state forest and region level.

## **SALE MEASUREMENT**

**5043.4**

(May 1988)

Measurements for the Class I sale of forest products may be made by scale or estimate.

- A sale by scale is defined as a sale of a definite number of posts, cords of wood, grape stakes, MBF, etc., measured before removal. In this case, the purchaser may be required to pile the material or have it at some designated place for counting or measuring.
- A sale by estimate is defined as a sale of an estimated amount of marked or designated material, more or less, to be estimated when marked at that amount agreed to by the purchaser. Most small sales will be for an estimated amount at a lump sum.

The local forest officer will make sales and estimates, and in no case will the scale or estimate of the operator be accepted for purposes of payment.

## **INSPECTION OF SALES 5043.5**

(May 1988)

All sales should be inspected after completion to determine compliance with cleanup and other sale conditions. Where necessary, an inspection during the sale should be made. The region chief or his/her authorized representative will make occasional checks of these sales to determine whether the proper measuring techniques are being used.

## **LENGTH OF SALES**

**5043.6**

(May 1988)

Any Class I sale should not cover a period of more than twelve months. A closing date of November 30th will allow time for the sale to be reported in the annual report which must be in the Director's office by January 15th of each year (see [Section 5074](#)).

## **PAYMENT**

**5043.7**

(May 1988)

The full value of a Class I sale will be collected by the local forest officer before removal of the forest products is allowed. All payments must be in the form of a personal check, postal money order, bank draft, or a certified check made out to the California Department of Forestry and Fire Protection; they must not be in the form of cash. Sales tax will be added to each sale unless a properly completed Resale Certificate (form AO-131) is obtained from the buyer and forwarded with the form RM-21.

Upon receipt of payment, the forest officer will immediately record the payment in the proper record (RM-21) and forward the payment to the region chief on the same day.

Timber sale payments received by the region chief will be handled in accordance with existing instructions regarding receipt of money.

## **RECEIPT FOR PAYMENT**

**5043.7.1**

(May 1988)

Receipts for sales will be recorded on a Receipt for Miscellaneous Sales (form AO-176) or on the receipt included as a part of Class I Timber Sale Permits printed after 1982. Sales tax, when charged, must be shown as a separate item on the receipt. No sales tax is added when a Resale Certificate (form AO-131) is obtained from the buyer.

The form AO-176 receipts are issued in the following manner:

- The original (white) is given to the buyer.
- The second (yellow) is sent to the region office to be attached to the duplicate deposit slip.

- The third (tissue) remains in the book.
- The fourth (blue) is an extra.

When a receipt is voided, the white and yellow copies will be forwarded to the departmental accounting office at Sacramento Headquarters.

Receipts for Miscellaneous Sales booklets are assigned by number, and any person handling these booklets will set up the necessary controls so that each receipt will be accounted for by number, be retained in the files, and be available for audit purposes.

**FORMS AND/OR FORMS SAMPLES: RETURN TO ISSUANCE HOME PAGE FOR FORMS/FORMS SAMPLES SITE LINK.**

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