



## FSC® Annual Administration Fee Policy FAQ

*FSC-POL-20-005*

**Q: What is the FSC Annual Administration Fee (AAF)?**

A: The FSC annual administration fee (AAF) is a fee charged by FSC and is calculated for chain of custody certification based on the value of the Certificate Holder's forest products turnover. Certification Bodies collect this from Certificate Holders and pass the fees onto FSC. The majority of FSC's income comes from the AAF and is used to fund FSC's activities.

**Q: Why do I have to provide both gross revenue and forest products revenue?**

A: The total revenue is to be provided and evaluated for reasonableness and plausibility of the forest products turnover.

**Q: Should my forest products revenue include only FSC jobs?**

A: No, the forest products revenue must include FSC and non-FSC revenue (i.e. all wood products or pulp and paper products).

**Q: What if we have no outside sales (i.e. in-plant)?**

A: The amount declared should be analyzed by cost of wood based products purchased, if possible.

**Q: What period should the supporting documentation cover?**

A: FSC policy specifies this should be data from your most recently completed fiscal year.

**Q: What can be provided as supporting documentation?**

A: Tax records and filings, accounting records, financial statements, declaration (email) from your accounting firm. Our recommendation is a profit and loss statement with every line blacked out except the dollar figure(s) directly applicable to the gross revenue and forest products revenue.

**Q: What types of things can I exclude from my revenue to come up with the forest products revenue?**

A: Anything not directly related to a forest-based product. Typical deductions include other services such as graphic or web design, transportation, outsourced storage/warehousing.

**Q: Who has access to my company's supporting documentation?**

A: We value your confidentiality highly. Group Management and AGC Independent Contractors (auditors) will have access to the supporting documentation you provide. If you are chosen for an External audit by our certifier, their auditors will also have access.

**Q: What happens if I don't provide the required supporting documentation?**

A: A Minor CAR is issued by Management, which must be closed within one year, or prior to your next annual audit. If not, the CAR is upgraded to Major. Major CARs must be closed within 90 days, or Group Management is required to remove you from the certificate.

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