

# A QuAD (quick and dirty) guide to the FSC AAF

January 2022

## Introduction, history, and AAF basics

- The Forest Stewardship Council (FSC) have been charging fees to all certified companies for many years. The fee is charged annually and called the “Annual Administration Fee” (AAF).
- The AAF has always been graduated according to the size of the certified company. Big companies pay more, small companies less.
- Certification Bodies (CB) collect the fees as part of their billing for annual audits. Auditors ask for the “Annual Turnover” and apply a simple table to assign the correct AAF, which appears as a line item on the invoice.
- Annual Turnover is simply the total sales (certified or not) for the certified company. If a company has business outside of the forest product sector (not relevant to FSC), that can be deducted.

## Changes for 2022

FSC made several changes this year. You can read all about them here:

[FSC AAF Policy \(FSC-POL-20-005 v3-1\)](#)

[FAQ for the FSC AAF Policy \(10 Dec 2021\)](#)

In summary, they did the following:

1. Increase the AAF (about 2x for most companies)
2. Substitute a graduated formula for the older, simple table
3. Require that auditors verify the plausibility and accuracy of the declared Annual Turnover figure

In practice, this means:

1. Certified companies will be paying FSC quite a lot more money
2. The fee assignment is more complex than before
3. Companies will continue to provide an Annual Turnover amount at their annual audit. Expect the auditor to request some reasonably objective basis for this figure (e.g. annual report, financial statement, letter from owner/CFO, etc.)

## In Summary

- The information needed by FSC to calculate and collect your annual AAF fees is the same information you have been providing for years. No change at all.
- The resulting fee will be more than your company is used to paying. About double for most companies.
- Your auditor will be asking for some objective evidence that backs up the “Annual Turnover” figure that you provide.