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Scientific Certification Systems – Forest Conservation Program

Chain of Custody Certification Report
for:

**Indiana Department of Natural Resources-
Division of Forestry¹**

**SCS-COC-002041
SCS-CW-002041**

Type of Audit: 3rd Annual Surveillance
(Evaluation, 1st, 2nd, 3rd, 4th Surveillance, Re-Evaluation, Expansion of Scope)
Audit for the Year 2012

Date Report Finalized: 18 June 2012
Date of Current Certificate Issuance: 13 January 2009

Contact person for certificate¹:	Jeff Settle
Organization Street Address:	402 West Washington Street
Zip or Postal Code:	46204-2739
City, State, Country:	Indianapolis, Indiana USA
Phone:	317-232-4114
Fax:	317-233-3863
Email:	jsettle@dnr.in.gov
Website:	www.in.gov/dnr/forestry

¹ Legal name of company and trade name(s) where applicable



Table of Contents

INTRODUCTION

SECTION 1: EVALUATION PROCESS AND CONCLUSIONS

- 1A Certification Decision
- 1B Compliance Summary
- 1C Evaluation Summary

SECTION 2: ORGANIZATION INFORMATION

- 2A Certificate Scope
- 2B Overview of Organization
- 2C Site Information
- 2D Outsourcing
- 2E FSC Controlled Wood
- 2F Minor Components

SECTION 3: ADDITIONAL GENERAL REQUIREMENTS

SECTION 4: STANDARD CONVERSIONS

APPENDIX: STANDARD CONFORMITY CHECKLIST(S) AND REQUIRED SUPPORTING DOCUMENTATION

Introduction

SCS developed its [Forest Conservation Program](#) in 1991 and has since emerged as a leading certifier of forest management operations and wood product manufacturers. In 1996, SCS became one of the first certification bodies in the world to be [Forest Stewardship Council](#) (FSC) accredited. In 2009 SCS achieved accreditation to offer PEFC ([Programme for the Endorsement of Forest Certification](#)) chain of custody certification services.

Through a well-developed network of regional representatives and contractors, SCS offers timely and cost-effective certification services around the world.

Chain of custody certification is a quality assurance to your customers that your products have positive environmental attributes that are backed by a global system of verification. When you receive a chain of custody certificate, you gain the right to use the program's logo and trademarks both on your products and in business and marketing communications. The certification label helps both businesses and customers make purchasing decisions that support sound forest management.

This report presents the findings of the SCS auditor who has evaluated your organization's systems and performance against the applicable Chain of Custody standard(s) and the SCS staff member who has made the final certification decision (see section 1 below).

If there are any necessary follow-up actions required by your organization, these are outlined in a separate Corrective Action Request form sent with this report. In order to achieve and maintain Chain of Custody certification it is important that all non-compliances are resolved by their stated deadlines.

The checklist(s) in the Appendix present the auditor's findings, demonstrating compliance or non-compliance with each element of the certification standard(s) used for the evaluation.

If you have any questions, comments, or concerns about SCS's Chain of Custody Program, please feel free to contact any member of the SCS chain of custody program.

Adam Wiskind

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Section 1: Evaluation Process and Conclusions

PART 1A: Certification Decision		
Auditor's recommendation for initial, continued or re-certification based on compliance with requirements: Include recommendation for each standard organization was evaluated against, and per site where applicable.	The Indiana State Department of Natural Resources-Division of Forestry (IN DoF) does comply with FSC STD 40-004 V2-0, FSC STD 40-002 V2, and FSC STD 40-005 V2-1 with the exception of the non-compliances included in the attached lists of corrective action requests. It is the recommendation of this auditor that the Indiana DoF continue to be awarded FSC certification for the above named standards.	
To be completed by Certification Decision-Making Entity	SCS Certification Decision: Include any conditions or pre-conditions associated with certification decision.	The Indiana State Department of Natural Resources-Division of Forestry (IN DoF) does comply with FSC STD 40-004 V2-0, FSC STD 40-002 V2, and FSC STD 40-005 V2-1 with the exception of 2 Major CARs, 20 Minor CARs, and 9 Observations. Continued certification is approved. If Werner Sawmill wishes to use the Credit System, the Sawmill Major CAR #10 must be resolved. If Werner Sawmill wishes to verify controlled material the Sawmill Major CAR #11 must be resolved.
	Scope of certificate:	This certificate covers logging, hauling and primary sawmill manufacturing using the transfer, percentage or credit system.
	Certification decision by:	Vanessa Hayward
	Date of decision: For initial or continued certification	June 18, 2012
	Surveillance schedule: Note any sites or requirements needing special attention at surveillance audits. If no FSC material is present at the time of the evaluation audit and CAR issued regarding Critical Control Point, need to audit site within 3 months of beginning processing.	The fourth surveillance audit should occur in December 2012.
	Allowable size limit and annual growth rate: For Group and Multi-site Certificates only	Up to 60 additional sites may be added before the next annual audit, and a total of 240 sites may be included on the certificate before the current expiration date.

PART 1B: Compliance Summary

IMPORTANT NOTE: The Standards Conformity Checklist(s) in the Appendix of this report outline(s) the auditor's assessment of your organization's conformity with each of the applicable requirements of each standard covered in the scope of the assessment; This section contains only a summary of those findings.

Evaluation and description of any critical control points with a risk that uncontrolled wood or fiber may enter the FSC Chain of Custody system:

Critical Control Point	High Risk of Mixing	Low Risk of Mixing
Purchasing eligible material/product		X*
Verifying reclaimed/controlled material		X*
Receiving		x
Segregation		x
Processing		x
Determination of FSC claims (transfer, percentage or credit system)		x
Outsourcing		x
Trademark use		x
Sales and shipping documents		x
At the time of the audit, had the organization taken physical possession of FSC-certified material?	<input type="checkbox"/> Yes <input type="checkbox"/> No , if there is a deemed risk that uncontrolled wood or fiber may enter the FSC Chain of Custody system an early surveillance site audit will be required <input checked="" type="checkbox"/> N/A , this is a Surveillance or Re-evaluation audit <input type="checkbox"/> N/A , not normal business practice to take physical possession of material/product <input type="checkbox"/> N/A, PEFC only	
Description of any high risks of mixing: X* While no high risks of mixing un-controlled wood with FSC certified or controlled wood were evidenced during the site audits, the tracking process, and subsequent compliant receipt documentation for FSC Controlled Wood was found to be non-compliant for the Group Members that were assigned applicable non-conformances on the attached CARs checklist.		

Review of Corrective Action Requests from previous audit:

Copy from previous audit report and describe the status of each CAR. Submit evidence with report where appropriate. Minor CARs not closed by the deadline shall be elevated to Major CARs. Major CARs not closed by their stated deadline, may result in suspension until conformity is confirmed.

- N/A Evaluation audit or no prior CARs
- See CARs/OBS form from previous audit

Summary of identified non-conformities and opportunities for improvement:

Complete CAR/OBS form and attach with audit report.

Standard	# Major CARs	# Minor CARs	# Observations
FSC-STD-40-004: Chain of Custody	1	10	6
FSC-STD-40-005: Controlled Wood	1	8	3
FSC-STD-40-007: Reclaimed Material			
FSC-STD-40-003: Multi-site CoC Certification			
FSC-POL-40-002: Group CoC Certification		1	
FSC-STD-20-001: Complaints Procedures			
FSC-STD-50-001: Trademark requirements		1	
PEFC ST: 2002-2010 Chain of Custody Requirements			
PEFC ST: 2001-2008 PEFC Logo Usage			

PART 1C: Evaluation Summary	
Description of evaluation:	<p>I met with Jeff Settle, Indiana DoF Group Administrator and Extension Specialist, at various intervals during the conduct of the several site audits; our principal meeting was held the afternoon of Friday, March 30th. Initially I discussed changes to the FSC CoC and Controlled Wood standards. This included the changes to the CW audit processes as mandated by the latest Policy and Directives for FSC Controlled Wood. (This was also discussed with John Seifert, the Indiana State Forester who accompanied Jeff and this auditor on audits conducted on April 4th. I reviewed procedures for the Group Entity and the procedure template for the Group members. Jeff had prepared a CD that includes: 1, Group Entity Procedures; 2, Group members FSC CoC and CW procedure template; 3, the current CW RA; 4, files with copies of the audits of all Group members; 5, Group members lists with supporting information; and 6, other relevant documentation.</p> <p>Group members files, both file folders and electronic, were selected by this auditor. Records of audits were available for this auditor to review. A list of corrective action requests issued by the DoF and actions taken was presented. Previous CAR's issued to the DoF were reviewed and closed. The CW Risk Assessment was reviewed and checked for updates. A review of the specific CW procedures applicable to the DoF was conducted.</p> <p>Site Audits:</p> <p>Wednesday March 28th: Don Darlage Logging, with Don Darlage, Brownstown, IN.</p> <p>Thursday, March 29th: Davison H.Q.S, with Andrea Curry, Spencer, IN; Tri-State Timber, with Jim Coleman, Bloomington, IN; and Kinser Timber Products, with Jerry Kinser, Gosport, IN</p> <p>Friday, March 30th: Wertz Timber and Veneer, Raeann Wertz Moore, Franklin, IN.</p> <p>Tuesday, April 3rd, Leiberling & Sons, and Leiberling Lumber and Logging, with Shawn, Steve, and Donna Leiberling; both at Ferdinand, IN.</p> <p>Wednesday, April 4th, Werner Sawmill with Kevin and Mary Werner, Ireland (Jasper), IN, and Jasper Veneer Mills with George Gramelspacher, Jasper, IN.</p> <p>Thursday, April 5th, David Morgan Logging with David Morgan, English, IN; and Charles Dearborn Logging, with Charles Dearborn and Tim Smith, English, IN.</p> <p>Friday, April 6th, Aurora Veneer Company with Jeff Grove, New Albany, IN.</p>
Number of sites audited out of total number of sites in scope of certificate:	12 of 60

Date(s) of evaluation:	March 28, 29, & 30; April 3, 4, 5, and 6.
Duration of evaluation:	38 hours excluding travel time.
Auditor name:	Frank S. Judd, Lead Auditor, SCS
Auditor qualifications:	BS Forestry, MS Forest Resources, Penn State University; US Army Captain, Military Intelligence. Eight years experience in FSC Chain of Custody market development, auditing, and product management; over thirty years of management in forest products manufacturing, procurement, marketing, and process development; ISO 9001 accredited.

SECTION 2: Organization Information

PART 2A: Certificate Scope																									
Number of sites included in the certificate scope: Excluding outsourcers	60 and the Group Entity, the IN DoF. <input type="checkbox"/> <i>Changed since previous audit</i>																								
Standards used in assessment of the organization: Check all that apply, for any & all sites	<table border="0"> <tr> <td><input checked="" type="checkbox"/></td> <td>FSC-STD-40-004 v2-0</td> <td>FSC Chain of Custody Standard</td> </tr> <tr> <td><input type="checkbox"/></td> <td>FSC-STD-40-004 v2-1</td> <td>FSC Chain of Custody Standard</td> </tr> <tr> <td><input type="checkbox"/></td> <td>FSC-STD-40-003 v1-0</td> <td>Multi-site CoC Certification</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>FSC-STD-40-005 v2-1</td> <td>Company Evaluation of Controlled Wood</td> </tr> <tr> <td><input type="checkbox"/></td> <td>FSC-STD-40-007 v1-0</td> <td>Sourcing Reclaimed Material</td> </tr> <tr> <td><input type="checkbox"/></td> <td>FSC-STD-40-007 v2-0</td> <td>Sourcing Reclaimed Material</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>FSC-POL-40-002</td> <td>Group Chain of Custody</td> </tr> <tr> <td><input type="checkbox"/></td> <td>PEFC ST: 2002- 2010</td> <td>PEFC Chain of Custody Requirements</td> </tr> </table> <input type="checkbox"/> <i>Changed since previous audit</i>	<input checked="" type="checkbox"/>	FSC-STD-40-004 v2-0	FSC Chain of Custody Standard	<input type="checkbox"/>	FSC-STD-40-004 v2-1	FSC Chain of Custody Standard	<input type="checkbox"/>	FSC-STD-40-003 v1-0	Multi-site CoC Certification	<input checked="" type="checkbox"/>	FSC-STD-40-005 v2-1	Company Evaluation of Controlled Wood	<input type="checkbox"/>	FSC-STD-40-007 v1-0	Sourcing Reclaimed Material	<input type="checkbox"/>	FSC-STD-40-007 v2-0	Sourcing Reclaimed Material	<input checked="" type="checkbox"/>	FSC-POL-40-002	Group Chain of Custody	<input type="checkbox"/>	PEFC ST: 2002- 2010	PEFC Chain of Custody Requirements
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<input checked="" type="checkbox"/>	FSC-POL-40-002	Group Chain of Custody																							
<input type="checkbox"/>	PEFC ST: 2002- 2010	PEFC Chain of Custody Requirements																							
The scope of this certificate includes the following: Check all that apply	<p>Forestry</p> <input type="checkbox"/> Forest Management Operation holding FSC FM/COC certificate <p>Manufacturing: (with retail, wholesale, or other processes)</p> <input checked="" type="checkbox"/> Primary Organization uses round wood (logs) as inputs or does pulp or paper milling <input type="checkbox"/> Secondary Organization does not use round wood as inputs nor does it conduct pulp or paper milling (Secondary manufacturers includes printers) <p>Non-timber forest products (NTFPs)</p> <input type="checkbox"/> Organization collects or processes NTFPs <p>Trading only:</p> <input type="checkbox"/> Desk Trades in product <u>without</u> physical possession <input type="checkbox"/> Wholesale Distributes product <u>with</u> physical possession <input type="checkbox"/> Retail Sells to end-user with physical possession <input type="checkbox"/> <i>Changed since previous audit</i>																								
Type of Facility (main site): e.g. Sawmill, Paper mill, Lumber Broker, Wholesaler, Retailer, Distribution Facility, Warehouse, Paper Converter, Printer	<p>The IN DoF Group Certification includes three sub-groups: 1, Loggers; 2, Sawmills (with logging); and 3, Veneer mills.</p> <p>The main site is the Indiana State, Department of Natural Resources, Division of Forestry offices located with other Indiana State departments in Indianapolis, IN.</p>																								

Type of data control system (e.g. manual, barcodes, computer automation, etc):	Control systems vary from group member to group member. Some, mostly loggers, rely only on paper systems. The sawmills and the veneer mills rely on scanning software in hand-held computers for log scaling. Some have more advanced systems such as Timbersoft to record veneer or lumber yields and inventory levels. Some use basic software accounting tools such as QuickBooks and/or MS Office with Excel.																
Approximate number of employees (main site): Full-time equivalent employees	150 state wide for the IN DoF. <input checked="" type="checkbox"/> <i>Changed since previous audit</i>																
FSC Annual Accreditation Administration Fee (AAF) Class based on combined turnover of all sites included in certificate scope:	<table border="0"> <tr><td><input type="checkbox"/></td><td>I: <\$200,000 USD</td></tr> <tr><td><input type="checkbox"/></td><td>II: \$200,000 to \$1,000,000 USD</td></tr> <tr><td><input type="checkbox"/></td><td>III: \$1,000,000 to \$5,000,000 USD</td></tr> <tr><td><input type="checkbox"/></td><td>IV: \$5,000,000 to \$25,000,000 USD</td></tr> <tr><td><input checked="" type="checkbox"/></td><td>V: \$25,000,000 to \$100,000,000 USD Current Estimate of Group Sales</td></tr> <tr><td><input type="checkbox"/></td><td>VI: \$100,000,000 to 500,000,000 USD</td></tr> <tr><td><input type="checkbox"/></td><td>VII: 500,000,000 to 1,000,000,000 USD</td></tr> <tr><td><input type="checkbox"/></td><td>VIII: >1,000,000,000 USD</td></tr> </table> <p>Organization shall disclose annual sales of all products containing wood fiber. This information is used for the purposes of calculating the AAF (Accreditation Administration Fee) for FSC. The information is treated as confidential.</p> <input checked="" type="checkbox"/> <i>Changed since previous audit</i> <input type="checkbox"/> <i>N/A, PEFC only</i>	<input type="checkbox"/>	I: <\$200,000 USD	<input type="checkbox"/>	II: \$200,000 to \$1,000,000 USD	<input type="checkbox"/>	III: \$1,000,000 to \$5,000,000 USD	<input type="checkbox"/>	IV: \$5,000,000 to \$25,000,000 USD	<input checked="" type="checkbox"/>	V: \$25,000,000 to \$100,000,000 USD Current Estimate of Group Sales	<input type="checkbox"/>	VI: \$100,000,000 to 500,000,000 USD	<input type="checkbox"/>	VII: 500,000,000 to 1,000,000,000 USD	<input type="checkbox"/>	VIII: >1,000,000,000 USD
<input type="checkbox"/>	I: <\$200,000 USD																
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<input type="checkbox"/>	VII: 500,000,000 to 1,000,000,000 USD																
<input type="checkbox"/>	VIII: >1,000,000,000 USD																
PEFC Annual Notification Fee	Annual turnover of organization: N/A (include currency) Notification fee is based on total turnover (not only wood or PEFC products) for all sites included in the scope of the certificate. Varies per country.																
Language(s) of certificate:	<input checked="" type="checkbox"/> English <input type="checkbox"/> Dutch <input type="checkbox"/> Portuguese <input type="checkbox"/> German <input type="checkbox"/> Spanish <input type="checkbox"/> Other																
Has organization been FSC CoC certified previously?	<input type="checkbox"/> Not previously FSC CoC certified <input type="checkbox"/> Transfer from other CB: <input type="checkbox"/> Previous SCS CoC client with lapse in certification <input type="checkbox"/> New SCS CoC client with lapse in certification, previous CB: <input checked="" type="checkbox"/> N/A, existing SCS client <input type="checkbox"/> N/A, not FSC certified (PEFC only)																

PART 2B: Overview of Organization

General description of organization: its operations, products and function of the sites.	The Group Entity is the State of Indiana, Department of Natural Resources-Division of Forestry (DOF). Within Indiana, there are 180,000 acres of FSC certified Indiana State Forests (state owned). Additionally, there are approximately 500,000 acres of privately owned "Classified" forests, with about 8,000 ownerships, which were FSC FM/COC certified by SCS in March 2010.
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	<p>The DoF had determined a small group certification should be created to supply the market for the FSC certified timber from these forests. A network of FSC CoC loggers/haulers, small sawmills, and veneer log processors has been established as FSC CoC certified as a Group, with the IN DoF acting as the Group Entity. These companies harvest and/or perform primary processing from timber (logs) taken from IN FSC certified forestlands, other FSC FM/COC certified forests, or other forestlands assessed as low risk for FSC Controlled Wood.</p> <p>Three sets of sites are included in the Group certification: loggers, sawmills (with or without logging), and veneer processors and dealers. Loggers remove timber as logs from certified forestland, and then deliver the logs directly to a mill or to their own concentration yard. Sawmills either conduct their own logging operations and/or purchase logs. The sawmills then reprocess the logs into lumber. These mills also resell some logs as veneer quality logs. Veneer manufacturers included in this Group purchase logs from either FSC certified mills and loggers, or purchase logs that they have assessed as FSC Controlled Wood.</p> <p>Products produced include lumber, veneer, and a combination of sawdust, chips, and shavings. Mulch is also included on the product group list of several mills, but none has been sold as FSC to date.</p>
<p>Description of the system by which the organization maintains control over the Chain of Custody for all products included on the organization’s certified product group list, covering:</p> <ul style="list-style-type: none"> a) Quality management b) Material sourcing c) Material receipt and segregation d) Volume control e) System for controlling FSC claims f) Sales and delivery g) Labeling (where applicable) h) Outsourcing (where applicable) i) Minor components (where applicable) 	<p>Ref. the FSC checklists and audits attached. The DoF maintains its FSC Small Group organizational control as follows:</p> <ul style="list-style-type: none"> a. The DoF has created extensive Group Entity and Group Member procedures. The DoF has an experienced and well-qualified Group Administrator, Jeff Settle. The IN DoF has up-to-date systems to support the management of the Group FSC certification. The DoF audits each group member annually for compliance to the applicable standards. b. Material sourcing for Group members is prescribed in the Group procedures. Group members must purchase wood from either verified FSC suppliers or from documented controlled wood sources. c. All Group members are required to maintain segregation and identification of all FSC certified wood. Wood that is controlled or is included in a credit system must be identified on receipt and further marked as (or if) required by the applicable control system used by that Group member. d. Group members must report annually to the DoF all FSC purchases and sales of FSC logs, lumber, and veneer. Each member must have the capability to record and document all FSC material transactions. e. Each Group member must include, in that member’s product group list, the control system(s) it has adopted. The DoF has included the following control systems in the group members’ template procedures: Transfer, Percentage, and Credit. f. The DoF requires that Group member transportation and sales documentation include the DoF FSC CoC code/sub-code and the appropriate FSC claim. Transportation and sales documentation for FSC Controlled Wood must contain the DoF FSC CW code and the statement “FSC Controlled Wood”. g. All labeling of FSC products must be approved by SCS through the DoF. Approval records from SCS are maintained by the DoF.

	<p>h. Outsourcing is not applicable to most all of the group members. It does apply to several veneer log processors that outsource the slicing of logs into veneer.</p> <p>i. Minor components are not used by any Group members.</p>
<p>Are there sites owned by the organization that are not included in the certificate scope?</p>	<p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes*</p> <p>Remarks: The DoF does not own any of the Group member sites.</p> <p><small>*Certificate shall not be used for material handled at uncertified locations.</small></p>

Wood / fiber purchased and sold over previous 12 months

N/A, PEFC Only

For 1st evaluation, provide total wood/fiber purchased and sold

For all surveillance and re-evaluation audits, provide total FSC certified wood/fiber purchased and sold

Include units: volume, dry weight, or number of pieces as appropriate

Approx. quantity purchased:	See At. 5 for Group Member purchases
Approx. quantity sold:	See At. 5 for Group Member sales

FSC Product Group List for Organization (all sites). Data to be posted / updated on www.info.fsc.org:

N/A, PEFC Product Group information collected on PEFC Reporting Form

Complete this table **exactly** as provided by the organization and check the box below if nonconformities are found

Nonconformity(ies) identified regarding product group list

Product Code FSC-STD-40-004a	Species of material inputs (Common + Latin name)	FSC Material Category of Input	Control System	Material Category of Output	Sites involved
See IN DoF Product Group List, At. 1, Appendix B-2.	See IN DoF Product Group List, At. 1, Appendix B-2.	See IN DoF Product Group List, At. 1, Appendix B-2.	See IN DoF Product Group List, At. 1, Appendix B-2.	See IN DoF Product Group List, At. 1, Appendix B-2.	See Site List, At. 4.

'Tab' in last box to add additional rows as necessary

Part 2D: Outsourcing
 N/A, does not use contractors for outsourced processing of FSC / PEFC product
Contractors doing outsourced processing of materials/products covered by scope of certificate(s)

Expand as necessary to include all outsourcers or insert list (including all required information) into Appendix of report

Name of Contractor	Contact information	Outsourced activity	Organization's reason for outsourcing	Risk Level (High/Low)	#* (n/a if low risk)	Audited this year? (n/a if low risk)
<u>Tri-State Timber Christenberry Logging</u>	Jack Christenberry 3664 I St. Bedford, IN 812-582-2872	Logging	Capacity	Low	N/A	N/A
<u>Tri-State Timber Pool Enterprises</u>	Kevin Pool P.O. Box 3 Helmsburg, IN 812-988-6161	Logging	Capacity	Low	N/A	N/A
<u>Tri-State Timber Franklin Logging</u>	Tony Franklin 2206 W. Beaumont Bloomington, IN 812-360-6175	Logging	Capacity	Low	N/A	N/A
<u>Tri-State Timber BMP Logging</u>	Rock Neeley P.O. Box 11 Williams, IN 47470	Logging	Capacity	Low	N/A	N/A
<u>Werner Sawmill Tim Werner Logging</u>	Tim Werner 3545 N 550 W, Jasper, IN 812-634-9444	Logging	Does not log timber	Low	N/A	N/A
<u>Werner Sawmill Werner Chips, Inc.</u>	3545 N 550 W, Jasper, IN 812-634-9444	Logging	Does not log timber	Low	N/A	N/A
<u>Jasper Veneer Mills & Aurora Veneer Company Theising Veneer Company</u>	300 Park Drive Mooresville, IN 46158 DMathers@theisingvener.com 317-831-4040	Veneer slicing	Exclusively contracts veneer slicing	Low	N/A	N/A
<u>Jasper Veneer Mills Universal Production Corp.</u>	1776 Tammarack Road Newark, OH 43055 Terry@universalveneer.com 740-788-2226	Veneer slicing	Exclusively contracts veneer slicing	Low	N/A	N/A
<u>Wertz Timber and Veneer David R. Webb Veneers</u>	206 S. Holland St. Edinburgh, IN 46124 Michael Maier 812-526-2601	Veneer slicing	Exclusively contracts veneer slicing	Low	N/A	N/A
<u>Wertz Timber and Veneer International Timber & Veneer</u>	75 McQuiston Dr Jackson Center, PA 16133 Mike Rastatter	Veneer slicing	Exclusively contracts veneer slicing	Low	N/A	N/A

	724-662-0880					
<u>Aurora Veneer Company</u> Danzer Veneer	P.O. Box 3455 Williamsport, PA 570-322-4400 Eric Watkins	Veneer slicing	Exclusively contracts veneer slicing	Low	N/A	N/A

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* Indicators of high risk outsourcing
1. The organization is outsourcing a wide range of production related activities
2. The organization is outsourcing to a number of contractors on a regular basis
3. The contractor grades or sorts the material during outsourced processing
4. The contractors label the product during outsourced processing

PART 2C: Site information	<input type="checkbox"/> N/A, only one site in certificate scope
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NOTE: Administrative and manufacturing sites need to be considered separately if administrative sites do the invoicing. Legal and trade names must also be provided.

All sites audited by SCS
Complete site table below for all sites

Sites audited on sample-basis by SCS (Group or Multi-site Certificates only)
Verify List of Sites spreadsheet and submit with report (do not complete site table below)

Site Table

Site name	CoC Admin	Address	Approx No Employees	Type of Facility	Standards						
					40-004	40-003	40-005	40-007	40-002	PEFC	
See At. 3.	Jeff Settle, CoC Administrator for the Group Entity	See Group Member List IN DoF At. 3	See Group Member List IN DoF At. 3	See Group Member List IN DoF At. 3	x		x				

'Tab' in last box to add additional rows as necessary

5. Contractors do not physically return the FSC-certified product following outsourced processing
6. The organization is outsourcing processing across national borders

PART 2E: FSC Controlled Wood

N/A, does not deal in Controlled Material or FSC Controlled Wood, incl. PEFC only

Purchases FSC Controlled Wood from CW certified supplier(s)

- Purchases FSC CW, does not sell FSC CW (not certified to 40-005)
- Purchases and sells FSC CW Risk Assessments not necessary, issue CW code

Implements a Controlled Wood verification program

- Annex II risk assessments, does not sell FSC CW submit reviewed Risk Assessment(s)
- Annex II risk assessments, sells FSC CW submit reviewed Risk Assessment(s), issue CW code
- Annex III site audits, does not sell FSC CW submit reviewed RA(s) showing categories of 'unspecified risk'
- Annex III site audits, sells FSC CW submit reviewed RA(s) showing categories of 'unspecified risk', issue CW code

Suppliers of Controlled Material (non-FSC certified material included in organization's controlled wood verification program):

(complete chart below or submit a complete list with report)

Supplier name and address	Description of non-FSC certified wood / fiber received	Species received (Common and Latin names)	Approx. volume received
See individual site supplier lists for sites assessing purchased logs as FSC Controlled Wood.	Logs, deciduous and coniferous	Black Cherry: Prunus serotina White Oak: Quercus alba Red Oak: Quercus rubra Hickory: Carya ovata Hickory: Carya ovalis Ash: Fraxinus Americana Black Walnut: Juglans nigra Tulip Poplar: Liriodendron tulipifera Black Gum: Nyssa sylvatica White Pine: Pinus glabra	See site report for each group member audited.

'Tab' in last box to add additional rows as necessary

Description of the system by which the organization assessed the level of risk of their controlled material suppliers:	The risk level for all suppliers of logs assessed by IN DoF Group members was determined by the Risk Assessment executed by the IN DoF. This was submitted and approved by SCS.
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District(s) of Origin of non-certified wood included in organization’s controlled wood verification program:

District of Origin (per Risk Assessment)	New	Updated	Approved
Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin			x
States of Washington and Oregon.			x
Ontario, Canada			x

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PART 2F: Minor Components

- N/A**, does not use ineligible wood/fiber components in FSC products
- N/A**, minor components between 1 & 5% (submit derogations with report)
- N/A**, PEFC only

Minor Components <1%

Expand as necessary to include all minor components used (intended for use) in FSC products <1%

For minor components between 1 and 5%, submit completed derogation application(s) from client (one per minor component)

Common Trade Name of Component	Description of Component	Volume/weight of wood/fiber	% volume/ weight of total product wood/fiber	Species (where applicable)	Dimensions	FSC Product Group & Product Code FSC-STD-40-004a	FSC label?

'Tab' in last box to add additional rows as necessary

Justification why material for the specified components could not be sourced from FSC-certified, controlled or reclaimed sources.	
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SECTION 3: Additional General Requirements

By acknowledging and agreeing to the findings provided in this report, the Organization hereby agrees to notify Scientific Certification Systems of any of the following changes that could have a material impact on their continued certification:

- Fulfillment of Corrective Action Requests (CARs) / conditions
- Date of production start of certified products if initial audit was conducted during absence of certified material
- Change in organization/company name
- Change in ownership and/or management
- Change in contact name(s) and address(es)
- Change to the scope of the certificate, as it appears on the certificate or FSC / PEFC database
- Addition of new facility(ies) and/or termination of facility(ies) covered by the certificate
- Circumstances and/or resource conditions that could materially impact the continued validity of the certification
- Addition / removal of Product Groups
- Material changes to existing Product Groups, such as commencement of new accounting systems or modification of product claims
- New use of the SCS and/or FSC Trademarks
- Incident report of incorrect claim or deviation from FSC or PEFC regulations
- Trademark misuse by suppliers
- New outsourcing agreements
- Agreements with vendors or other certificate holders for on-product labeling using certificate code
- Material change to documented control system
- Termination of FSC business in whole or in part
- Any other circumstances where the product may no longer comply with the requirements of the certification system

SECTION 4: Standard Conversions

1 mbf	2.36 m3
423.7 bf	1 m3
1 cord	2.55 m3
1 inch	2.54 cm
1 foot	0.3048 m
1 square foot	0.0929 m2
cubic foot	0.028317 m3

1 yard	0.9144 m
1 gallon (US)	3.78541 liters
1 pound	0.4536 kg
1 US ton	907.185 kg
1 UK ton	1016.047 kg
1 acre	0.405 hectares
1 mile	1.60934 km

Appendix: Standard Conformity Checklist(s) and Required Supporting Documentation *(suppliers, outsourcers, product group list, if not listed in report above)*

Attachments:

See attachment folder for group member attachments

At. 1 IN DoF group member FSC procedures with Controlled Wood

At. 2 IN DoF Group Entity procedures

At. 3 Group Member site list

Ar. 4 IN DoF Risk Assessment

At. 5 Group members inputs and outputs



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SCS Checklist for FSC Group Chain of Custody Certification FSC-POL-40-002, FSC-PRO-40-002a and associated interpretations *For evaluation of the Group Entity*

Certificate Holder:	Indiana Department of Natural Resources-Division of Forestry
Audit for the Year:	2012
Auditor:	Frank S. Judd
Date of audit:	March 30, 2012

Group Certificate Overview	
Describe the sites included in the certificate by type of businesses, number of facilities, their relationship to each other, their function and the standards they were evaluated against:	<p>Sites included in this group certificate all deal in the procurement and harvesting of timber and the subsequent sawmilling or veneer processing of logs. Most group members have no legal ties to each other; but these sites do frequently have commercial transactions among the group. This includes primarily the selling of logs from loggers to sawmills and/or veneer processors.</p> <p>At the time of this audit, 60 sites were members. The sets of sites include 30 loggers and 30 primary processors (20 sawmills and 10 veneer processors/dealers). All sites were evaluated against FSC STD 40-004 V2-0. A number of sawmills and veneer processors were also evaluated against FSC STD 40-005 V2-1.</p>

<p>Describe how Chain of Custody is controlled and how responsibilities are divided between the Group Entity and all Group members:</p>	<p>The Chain of Custody is controlled and monitored by the Group Entity, the Indiana State Department of Natural Resources- Division of Forestry (DoF).</p> <p>The DoF provides FSC CoC and Controlled Wood template procedures and guidance for each member. It audits all members annually. It provides information on FSC CoC and CW certification through its website and periodic announcements and newsletters to members. It has one DoF staff member, Jeff Settle, with the authority and responsibility for ensuring the compliant operation of the Group. The DoF is responsible to pay all fees to SCS.</p> <p>Group members must accurately complete the applicable procedure templates relevant to their site, including the product group list. Members are also responsible for: training and training records, supplier verification, receiving, invoicing, and shipping.</p>
<p>If Group Entity is a membership organization, are there other members of the organization that are not included on the certificate? If yes, indicate whether company understands and acknowledges that certificate may not be used for material handled by uncertified members (FSC-STD-40-002, 1.3.3).</p>	<p><input type="checkbox"/> No, all members included <input type="checkbox"/> Yes, explain how this is controlled <input checked="" type="checkbox"/> N/A, not membership organization</p> <p>Group members must have their company headquarters, or the participating site, in the State of Indiana.</p>
<p>How many sites were audited?</p>	<p>Central Office/Group Entity plus 12 of 60 sites in total.</p>
<p>Assess the Group Entity's capacity (including resources and systems) to manage the number and complexity of the Number of sites on the certificate:</p>	<p>The DoF has the capacity to manage the number of sites that are currently included. It has two full time employees participating in fulfilling Group Entity responsibilities. Jeff Settle is responsible for all FSC certification activities in Indiana, and has full control over this group certification at the state level. He has current computer software and supporting systems, as provided by the state, for regular communication with and direction of the group members. He has a state-owned vehicle used to visit all participating sites. John Seifert, the Indiana State Forester, also assists with the program.</p>

C – conformance NC – non-conformance C w/Obs – conformance with observation
 N/A – requirement not applicable

SECTION 1 Group Eligibility Requirements		
Requirement	Evidence and Findings	Conformance
FSC-PRO-40-002a List of approved national Chain of Custody group eligibility criteria		

<p><i>FSC-PRO-40-002a, 1.0</i> Group members meet international eligibility criteria for Group COC certification according to FSC-POL-40-004 section 1.4.3 or approved national eligibility criteria according to FSC-PRO-40-002a table 1.1 where applicable.</p>	<p>All initial group members did meet the existing national eligibility criteria of 15 or fewer members. All members entered into the program, since the adoption of the newly approved national eligibility criteria, have sales of less than \$5 million US. All members do currently meet this eligibility requirement, as determined by this auditor during the conduct of this audit of the Group Entity and Group members.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p><i>FSC-PRO-40-002a, 2.1</i> Group members who joined a group according to the generic eligibility criteria as specified in the COC group Policy before the approval of new nationally adapted eligibility criteria may stay in their group until the certificate is terminated or withdrawn.</p>	<p>As determined by this auditor during the conduct of this audit of the Group Entity and Group members, Group members, that joined before the new national criteria were adopted, have continued to stay within this group; their certification will terminate if the group certification is terminated or withdrawn. This was confirmed with the Group Administrator, Jeff Settle.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs <input type="checkbox"/> N/A, no national criteria</p>
<p><i>FSC-PRO-40-002a, 2.2</i> New group members shall comply with nationally adapted eligibility criteria before joining a Group COC certificate.</p>	<p>The DoF does now require all new group members to meet the new criteria (less than \$5million in sales, US) in order to join this group.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs <input type="checkbox"/> N/A, no national criteria</p>
<p><i>FSC-PRO-40-002a, 2.3</i> In the year that a group member surpasses the defined threshold, its membership would become 'transitional'. Transitional membership in a group certificate is allowed until growth beyond the surpassed threshold is documented for 2 consecutive years. At that time, the individual entity is no longer eligible to be part of the group certificate and shall pursue and transition to an independent single certificate in order to continue its certification.</p>	<p>The DoF does monitor individual group member's sales. If those sales do exceed the threshold for 2 consecutive years, the individual group member will be removed from this group. It would then become the individual group member's responsibility to seek single FSC CoC certification.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs (applicable to all)</p>

SECTION 2 Group Requirements and Responsibilities		
Requirement	Evidence and Findings	Conformance
2.1 Group entity requirements		
<i>Group entity authority</i>		
2.1.1. In order to be eligible to apply for group certification, the group applicant must be an independent legal entity or an individual acting as a legal entity.	As determined by this auditor during the conduct of this audit of the Group Entity and Group members, the DoF requires that all group members are Indiana-based, legal companies or corporate entities.	<input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs
2.1.2. The group entity shall be contractually responsible to the certification body for ensuring that the requirements of all relevant FSC guidelines are fully implemented by all members of the group.	The DoF and SCS have a signed contract, renewable on a two-year basis. As determined by this auditor during the conduct of this audit of the Group Entity and Group members, the IN DoF has met, and does continue to meet, all financial obligations of the contract; and it makes all payments to SCS.	<input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs
2.1.3. The group entity shall be responsible for ensuring that any conditions on which certification is dependent and any corrective action requests issued by the certification body thereafter are fully implemented.	<p>As determined by this auditor during the conduct of this audit of the Group Entity and Group members, during the three years of this group certification's existence, the DoF has effectively monitored each group member. It has thoroughly checked on each members meeting of initial and continuing responsibilities; it has also ensured that the corrective actions issued by SCS have been fully implemented.</p> <p><u>The IN DoF, the Group Entity, has notified each Group member of CARs as issued by SCS for the 2011 annual surveillance. The closure of these CARs is not, however, fully described and/or documented in the annual audits by the IN DoF, of these certain Group members. The IN DoF also continues to use obsolete audit checklists that no longer include all applicable requirements of the FSC CoC and FSC CW standards.</u></p>	<input type="checkbox"/> C <input checked="" type="checkbox"/> NC <input type="checkbox"/> C w/Obs

<p>2.1.4. The group entity shall have the authority to remove members from the scope of the group certificate if the requirements of group membership or any corrective action requests issued by the certification body or the group entity are not complied with.</p>	<p>As determined by this auditor during the conduct of this audit of the Group Entity and Group members, the authority for the DoF to remove any member is included in requirements for group membership.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>2.1.5. The group entity should be responsible for collecting any fees due to FSC certification from the members.</p>	<p>As determined by this auditor during the conduct of this audit of the Group Entity and Group members, the IN DoF does collect all fees, if it requires them. It does make all payments to SCS. (To the date of this audit, the DoF has not requested annual payments from members.)</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>2.1.6. The group entity shall be responsible for the annual monitoring of each and every member. Monitoring procedures must be in line with the FSC CoC Certification Requirements and the guidelines in Sections 3 and 4 of this document.</p>	<p>As determined by this auditor during the conduct of this audit of the Group Entity and Group members, the IN DoF does conduct a site audit of all group members that have had any FSC transactions. It does monitor all group members throughout the year.</p> <p><u>The IN DoF continues to use obsolete audit checklists that no longer include all applicable requirements of the FSC CoC and FSC CW standards.</u></p>	<p><input type="checkbox"/> C <input checked="" type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p><i>Group entity system and documentation requirements</i></p>		
<p>2.1.7. The group entity's responsibilities with respect to managing the chain of custody certification program for the group, shall be clearly defined and documented, including procedures for new members to join the certified group after a certificate has been awarded.</p>	<p>The DoF has prepared a comprehensive set of FSC CoC procedures for each group member; At. 1. As determined by this auditor during the conduct of this audit of the Group Entity and Group members, a second set of procedures and processes has been written and is in force for the IN DoF, entitled Division of Forestry (Group Entity) Procedures; At. 2.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>

<p>2.1.8. The group entity must have a system in place for providing information and/or training to group members.</p>	<p>As determined by this auditor during the conduct of this audit of the Group Entity and Group members, the IN DoF provides information and training to group members as follows: 1, DoF site training for FSC and other required aspects of logging and lumbering within IN; 2, Group and general training for FSC and other state requirements for training; 3, the group members DoF email list-serve for direct contact with all group members; 4, The Indiana Licensed Timber Buyers monthly bulletin; 5, the DoF website; and 6, the Forestry Exchange website for all IN. Much of the state training and information dissemination is carried out by: 1, the FSC Group Entity Administrator, Jeff Settle, traveling throughout the state and meeting with individual Group members; and 2, IN DoF seminars held at various times throughout the year at locations throughout Indiana.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>2.1.9. The group entity must carry out an initial inspection to verify that the potential group members comply with certification requirements, including business installation and documentation systems, before they can be admitted.</p>	<p>As determined by this auditor during the conduct of this audit of the Group Entity and Group members, the IN DoF conducts an initial inspection of each new group member. The DoF verifies that the potential group member can meet the required business installation and documentation system requirements before admission to the group.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>2.1.10. The group entity must have clear procedures for annual monitoring of each group member which is designed to ensure that CoC requirements are upheld. Additionally it must have a method for providing information on the results of its monitoring to the certification body.</p>	<p>See IN DoF procedures, 2.2.4 and 2.2.5. The DoF has established procedures in place to provide annual audits of all group members. This information is recorded on IN DoF computers, summarized by group member, and provided to the SCS auditor on a CD.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>2.1.12. The group entity must keep all CoC documents related to member businesses and have a centralized record keeping system related to inflows and outflows of material in member facilities. They must also be prepared to submit reports summarizing member activities.</p>	<p>All documents, as required for the DoF, are stored electronically on the Group Administrators computer and on the DoF server. A record of FSC inputs and outputs is summarized on an Excel spreadsheet. FSC inputs and outputs are detailed by each Group member; see At. 5.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>2.1.13. The group entity must have its own written guidelines that outline CoC procedures for member businesses.</p>	<p>See The IN DoF Group Entity Procedures; At. 2.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>

<i>New members</i>		
<p>2.1.14. The group entity shall have clear documented procedures for new members to join the certified group after the certificate has been awarded. The group entity must carry out an initial inspection of the business installations and their documented systems before they are eligible to enter into the certified group, and hence be permitted to use the FSC trademark.</p>	<p>See IN DoF Group Entity procedures At. 2, 2.2.1. As determined by this auditor during the conduct of this audit of the Group Entity and Group members, the IN DoF conducts and "Initial Inspection" of new members before a new group member is accepted into the group. The IN DoF has a full and complete procedure template that is required for use by each group member.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>2.1.15. If a group member joins or leaves the group certification scheme, the group entity shall inform the certification body in writing within one month.</p>	<p>The DoF has notified SCS within one month, by email, of the addition or removal of group members. (Only one group member has been removed to date.) All Group members are included in At. 3, the current Group member list.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>2.2. The group entity shall have sufficient legal and management authority and technical support to implement the requirements and responsibilities specified in 2.1.1-2.1.15 and to support the size of group proposed for certification.</p>	<p>As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, the Indiana Division of Forestry is part of the Indiana State Department of Natural Resources. It has full authority and computer support to implement the requirements and responsibilities for itself, the Group Entity, and for the size of the existing group and compliant additions.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p><i>FSC-STD-50-001 V1-1, Annex 2</i> 1.2 The group entity shall not produce any document similar to an FSC certificate for its participants. If individual membership documents are issued, these statements shall be included: a) "Managing the FSC certification program of [name of group]" b) "Group certification by Scientific Certification Systems (SCS)"</p>	<p>As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, the IN DoF has not produced any document similar to an FSC certificate for the group members. It has received, and forwarded to each member, the group member certificate provided by SCS.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
2.3 Group member requirements and responsibilities		
<p>2.3.1 Every group member must comply with the FSC requirements of CoC certification as specified in the FSC CoC standards.</p>	<p>As evidenced in site audits by this auditor, the group members have complied with the requirements of the FSC CoC standards. Exceptions are included as non-compliances in the attached reports and CAR's checklist. All prior CAR's had been corrected, establishing continued compliance to this clause.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>

<p>2.3.2 The group members' management responsibilities, (e.g. with regard to management planning, monitoring, quality control, marketing) for certification shall be clearly defined and documented.</p>	<p>As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, each group member's responsibilities regarding the management of its FSC program are delineated in 1.1, Eligibility, of both the Group Member Procedures and in the Group Entity Procedures: At. 1 and At. 2.</p>	<table border="0"> <tr><td><input checked="" type="checkbox"/></td><td>C</td></tr> <tr><td><input type="checkbox"/></td><td>NC</td></tr> <tr><td><input type="checkbox"/></td><td>C w/Obs</td></tr> </table>	<input checked="" type="checkbox"/>	C	<input type="checkbox"/>	NC	<input type="checkbox"/>	C w/Obs
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<p>2.3.3 Any representation of certified status of group members and their products must be made in reference to the group. Each member must utilize the group's chain of custody code in relevant sales documentation.</p>	<p>Group members are listed as members of the DoF group with their products on the http://info.fsc.org website. As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, each member does utilize the IN DoF group FSC CoC and/or CW code, with its respective sub-code, in relevant sales and/or delivery documents. Exceptions to a member's compliant use of the COC and/or CW code are addressed as non-conformances by the IN DoF; and corrective actions are taken by the Group member.</p>	<table border="0"> <tr><td><input checked="" type="checkbox"/></td><td>C</td></tr> <tr><td><input type="checkbox"/></td><td>NC</td></tr> <tr><td><input type="checkbox"/></td><td>C w/Obs</td></tr> </table>	<input checked="" type="checkbox"/>	C	<input type="checkbox"/>	NC	<input type="checkbox"/>	C w/Obs
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<p>2.4 Informed consent of group members</p>								
<p>2.4.1 A 'consent form' or its equivalent must be signed by each group member or the member's representative who voluntarily wishes to join the certification scheme. The consent form:</p> <ul style="list-style-type: none"> i. acknowledges and agrees to the requirements and responsibilities of group membership; ii. agrees to membership of the scheme for the full period of validity of the group certificate; iii. acknowledges their compliance with the chain of custody guidelines; and iv. authorizes the group entity to apply for certification on the member's behalf. 	<p>As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, the IN DoF has developed a Group Member application. It meets the State of Indiana requirements for participation. It also requires the applying company agree to the requirements of the applicable FSC requirements and include a signature of the responsible individual. The application also requires compliance with the attached procedures that include DoF requirements for eligibility: compliance with or inclusion of sub clauses: i, ii, iii, and iv of this clause.</p>	<table border="0"> <tr><td><input checked="" type="checkbox"/></td><td>C</td></tr> <tr><td><input type="checkbox"/></td><td>NC</td></tr> <tr><td><input type="checkbox"/></td><td>C w/Obs</td></tr> </table>	<input checked="" type="checkbox"/>	C	<input type="checkbox"/>	NC	<input type="checkbox"/>	C w/Obs
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<p>2.4.2 The group entity must provide each group member with documentation, or access to documentation, specifying the relevant terms and conditions of group membership. The documentation shall include:</p>								
<p>i. a copy of the Chain of Custody certification standard to which the group is committed;</p>	<table border="0"> <tr><td><input checked="" type="checkbox"/></td><td>C</td></tr> <tr><td><input type="checkbox"/></td><td>NC</td></tr> <tr><td><input type="checkbox"/></td><td>C w/Obs</td></tr> </table>	<input checked="" type="checkbox"/>	C	<input type="checkbox"/>	NC	<input type="checkbox"/>	C w/Obs	
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<p>ii. explanation of the certification process;</p>	<table border="0"> <tr><td><input checked="" type="checkbox"/></td><td>C</td></tr> <tr><td><input type="checkbox"/></td><td>NC</td></tr> <tr><td><input type="checkbox"/></td><td>C w/Obs</td></tr> </table>	<input checked="" type="checkbox"/>	C	<input type="checkbox"/>	NC	<input type="checkbox"/>	C w/Obs	
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<input type="checkbox"/>	C w/Obs							

<p>iii. explanation of the certification body's, and FSC's, rights to access the group members' documentation and installations for the purposes of evaluation and monitoring;</p>	<input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs
<p>iv. explanation of the certification body's and FSC's requirements with respect to public information;</p>	<input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs
<p>v. explanation of any obligations with respect to group membership, such as:</p> <ul style="list-style-type: none"> a) maintenance of information for monitoring purposes; b) use of systems for tracking and tracing of forest products; c) requirement to conform with conditions or corrective actions issued by the certification body; d) any special requirements related to marketing or sales of products covered by the certificate; e) use of the FSC trademarks and product claims; f) proper use of CoC certificate number and sub code; and g) other obligations of group membership. 	<input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs
<p>vi. costs associated with group membership.</p> <p style="text-align: right;">explanation of any</p>	<input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs

Findings determined by this auditor during the conduct of the audit of the Group Entity and Group members related to above documentation requirements confirmed that:

- i. All group members audited has paper copies of the current applicable FSC standards.
- ii. The certification process is thoroughly explained in the Group membership procedures.
- iii. The right of the IN DoF and the certifying body, SCS, are explained in Group member's procedures, At. 1, 1.1 Eligibility.
- iv. Each group member agrees to provide all required information to the IN DoF, a public body with the requirement of making all information public, on request. All group members are listed on the DoF website, along with copies of the initial FSC evaluations and following annual surveillances.
- v. The requirements for eligibility, At.1, section 1.1, in the individual group member's procedures, along with the requirements for compliance within the body of those procedures, fully document the respective obligations of each group member as referred to in sub clauses v: a, b, c, d, e, f, and g.
- vi. Costs of group membership are described in At. 1, 1.2 Membership fees and 1.3 Annual Licensing fees.

2.5 Group records

2.5.1 The group entity shall be responsible for maintaining the following records up to date at all times:

<p>i. list of names and addresses of group members, together with date of entry into group CoC certification scheme and sub code assigned;</p>	<p>Ref. the DoF Group member list; At. 3.</p>	<input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs
<p>ii. evidence of consent of all group members, preferably in the form of a signed 'consent form' (see paragraph 2.4, above);</p>	<p>As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, a signed application form (consent agreement) is retained in the file folder of each group member; this is physically on file with the Group Entity Administrator.</p>	<input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs

<p>iii. relevant documentation and records regarding the scope of Chain of Custody certification for each group member.</p>	<p>iii. As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, all records, relevant to each group member' CoC certification, are retained in file folders by the Group Entity Administrator, Jeff Settle.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>iv. records demonstrating the implementation of any internal control or monitoring systems (see paragraphs 2.1.2 - 2.1.5, above). Such records shall include records of internal inspections, non-compliance identified in such inspections, actions taken to correct any such non-compliance;</p>	<p>iv. As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, copies of all FSC CoC audits, conducted by the IN DoF and SCS, are retained, in Word files, by the Group Entity Administrator. Records include the dates of site audits and non-compliances. Separate records include Group member actions to correct specified non-conformances.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>v. relevant documentation regarding production and sales;</p>	<p>As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, IN DoF audit records include FSC purchases and sales data.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>vi. the date of leaving of any group members, and an explanation of the reason why the member left the group; and</p>	<p>The date of withdrawals are recorded on the Group site master list; At. 3. A column is included on the site master list for withdrawal dates.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>vii. relevant documentation showing that they meet the definition of a "small enterprise"</p>	<p>The audit form used by the DOF requires the Group member to describe and document their meeting of the definition of a "small enterprise." This is then recorded as the number of employees (former requirement) of the amount of sales in \$US (current requirement). See At. 1.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>2.5.2 Documentation shall be archived for at least 5 years.</p>	<p>Group members agree and consent, as part of the Group member eligibility requirements, to retain all relevant FSC documents for five years. Indiana State policy for the DoF requires the retention of all DoF records for five years. See At. 1, application form.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>

2.6 Certification costs		
<p>2.6.1 The group entity shall be fully responsible to the certification body for paying all the costs of evaluation and monitoring throughout the period of validity of the certificate.</p>	<p>As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, IN DoF Group Entity procedures clearly state the IN DoF is responsible to pay all fees to the certification body. The IN DoF has signed contracts with SCS, for two years at time, to cover all certification costs relevant to this Group certification.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
FSC Trademarks		
<p><i>FSC-STD-50-001 V1-1, Annex 2</i> 1.1 The group entity (or manager, or central office), shall ensure that all uses of the FSC trademarks by the group entity or its individual members are approved by the certification body prior to use. Group members shall submit all approvals via the group entity or central office and keep records of approvals.</p>	<p>As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, the IN DoF Group Administrator does require that Group members submit all requests for the use of FSC trademarks to his (the Group Administrator's) office. The Group Administrator has forwarded such requests to SCS through the SCS client portal; and has demonstrated, to this auditor, the ability to access that site and obtain approval records.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p><i>FSC-STD-50-001 V1-1, Annex 2</i> 1.3 No other forest certification schemes' marks or names shall appear on any documents issued by the group in connection with FSC certification, e.g. in cases where the group entity also manages groups certified by other schemes.</p>	<p>The Indiana DoF also has a FM/COC certification for Indiana State Forests, issued by SCS. As confirmed by this auditor with SCS staff and John Seifert, the IN State Forester, discrepancies with Indiana State contracts for the sale of FSC timber have been corrected and are now compliant.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>
<p>2.7 The group CoC certificate will license all members of the group to use the FSC Trademarks under specified conditions. However the group entity may not issue sub-licenses for use of the FSC Trademarks.</p>	<p>As confirmed by this auditor during the conduct of this audit of the Group Entity and Group members, the Group Entity, the IN DoF, has not issued sub-licenses for the use of any of the FSC Trademarks.</p>	<p><input checked="" type="checkbox"/> C <input type="checkbox"/> NC <input type="checkbox"/> C w/Obs</p>