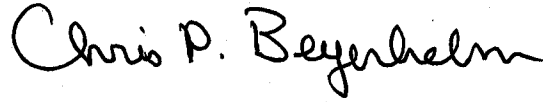


For: State and County Offices

**National Target Review of Calendar Year (CY) 2014 ECP, CRP C/S Agreements,
and CRP Practice Incentive Payments (PIP's)**

Approved by: Associate Administrator for Operations and Management



1 Overview

A Background

The following conservation operations were identified by FSA's management as areas to be targeted in a National Office-directed review:

- ECP
- CRP-C/S
- CRP-PIP.

A national CORP target review has been developed to sample records from these operations in which the following activities were completed in CY 2014:

- performance was reported for ECP and CRP C/S agreements
- PIP's were issued.

The national review will verify whether C/S agreements and PIP's are being processed according to current policies and procedures.

B Purpose

This notice provides instructions for implementing a national target review of ECP and CRP C/S and PIP operations conducted in CY 2014.

Disposal Date	Distribution
January 1, 2016	State Offices; State Offices relay to County Offices, CORP Coordinators, and COR's

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2 Scope of the National Target Review

A Universes

The 3 universes listed in the table were determined from activity recorded in electronic systems during CY 2014.

Electronic System	Number of Records in the Universe		Number of States in the Universe
	CSS	3,752	
47,092		CRP C/S agreements with performance recorded	43
OLP	9,094	PIP's issued	38

The following are **not** included in the universes:

- ECP and CRP C/S agreements with performance reported through CRES in CY 2014
- ECP C/S agreements with performance reported in CY 2014 using Hurricane Sandy funds, because these agreements were included in the Improper Payments Information Act reviews.

PIP universe is not correlated to CRP C/S universe, because it is from a different electronic system that associates each PIP only with CRP contract number. The system does **not** associate PIP with CRP C/S agreement number.

B Sample Sizes

The 3 samples listed in the table indicate the size of the national target review.

	Number of Records in the Sample	Number of States in the Sample	Percent of the Universe To Be Sampled
188	ECP C/S agreements	38	5.0
1177	CRP C/S agreements	43	2.5
455	PIP's	38	5.0
1820	Total Number of Records in the Sample		

ORAS determined the sample sizes based on the following factors:

- each sample size must be sufficient to allow for a valid analysis of the administration of the program area
- all States in each universe will be included in the review
- estimated timeframe for completing the national review.

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2 Scope of the National Target Review (Continued)

C Sample Selection Method

ORAS determined State and county samples using the following 3-step process.

Note: This method was used for all 3 program areas included in the review.

Step	Method
1	<p>The number of records to be sampled in each State was determined by multiplying the number of records (universe) in that State by the percentage listed in the last column of the table in subparagraph B.</p> <p>Example: State A had 359 CRP C/S agreements in its universe, multiplied by 2.5 percent. The number of CRP C/S agreements to be sampled in State A is 8.98 rounded to 9.</p> <p>When the number of records to be sampled in each State were added together, the total equaled the number in the first column of the table in subparagraph B.</p>
2	<p>Some States had very low participation levels. In these cases, the result of step 1 was that 0 records were to be sampled.</p> <p>Example: State B had 5 ECP C/S agreements in its universe multiplied by 5 percent. The number of ECP C/S agreements to be sampled in State B is 0.25 rounded to 0.</p> <p>The number of records to be sampled in some States was adjusted. States with 0 records to be sampled were increased, and States with the largest number of records to be sampled were decreased.</p> <p>These adjustments did not change the overall program samples listed in the table in subparagraph B.</p>
3	<p>The specific counties to be reviewed in each State were determined using the following factors to the extent possible. Counties:</p> <ul style="list-style-type: none">• with records in all 3 program areas would be selected• with high, medium, and low volumes of records would be selected• selected would be geographically spread throughout the State.

COR's will randomly select county records to be reviewed according to subparagraphs 5 A and B.

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2 Scope of the National Target Review (Continued)

D Extent of the National Target Review

The review will cover the processes and activities identified in the table.

IF the program area includes...	THEN the review will cover...
ECP C/S agreements	processing C/S agreements from initial creation through certifying performance and issuing payments.
CRP C/S agreements	<ul style="list-style-type: none">• processing C/S agreements from initial creation through certifying performance and issuing payments• verifying whether CRP-1's and Conservation Plan of Operations (CPO) support the C/S agreements.
PIP's	verifying whether PIP's were: <ul style="list-style-type: none">• based on eligible costs• calculated correctly• issued for eligible practices• issued to participants who met requirements.

E Verification Items

Detailed lists of verification items are provided in Exhibit:

- 1 for ECP C/S agreements
- 2 for CRP C/S agreements
- 3 for PIP's.

3 COR Assignments

A ORAS Making Assignments

ORAS will make preliminary COR assignments. Some COR's will be assigned reviews outside of their normal assigned States. ORAS will work with applicable CORP coordinators to make any changes in the assignments.

B Scheduling Reviews

COR's shall work with CORP coordinators to schedule reviews. COR's assigned to conduct reviews outside their normal assigned States will be provided the contact information of the applicable CORP coordinator or SED by ORAS.

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4 Timeframes and Travel

A Review Priority and Timeframe

The national target review may begin any time after receipt of this notice.

All reviews of ECP and CRP C/S agreements and PIP's shall be **completed and reports issued** no later than **October 9, 2015**.

B Travel Requirements and Costs

Travel is authorized for the national target review. All reviews shall be conducted **on-site** in County Offices unless otherwise instructed by ORAS.

Travel expenses will be paid using the following accounting codes:

- “**584ORASCORREVV**” for local travel expenses
- “**15-ORAS-COR-REVIEW**” for TDY travel.

Each COR is allocated \$4,000 in travel funds for conducting the national target review. COR is responsible for **not** exceeding the allocation. If an increase is needed, COR shall contact ORAS.

All travel associated with these reviews shall be completed by **September 30, 2015**.

5 Conducting the National Target Review

A Random Samples

The number of records to be sampled in each of the 3 program areas will be provided to COR's when reviews are assigned according to subparagraph 3 A.

Before each review, COR's shall notify ORAS of the State and county to be reviewed. ORAS will send a separate spreadsheet for each applicable program area containing the actual records from which a random sample shall be selected by COR.

For each spreadsheet received, COR's shall use the eCORP random number generator to select the required records to be reviewed. If all records for a program area are to be reviewed, it is not necessary to use the random number generator.

Samples selected shall be based on:

- C/S agreement numbers for ECP and CRP
- PIP's.

When selecting samples, COR's shall not attempt to match any selections between CRP C/S agreements and PIP's. The samples shall be independent.

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5 Conducting the National Target Review (Continued)

B Multiple Practices and Participants

Some ECP and CRP C/S agreements will have multiple practices associated with them. In these cases, select 1 practice to be reviewed.

Some ECP and CRP C/S agreements will have multiple participants associated with them. In these cases, if the number of participants is:

- 10 or less, review all participants
- 11 or greater, review only 10 participants.

Note: The 10 participants may be selected in any manner of COR's choosing.

C Notifying Affected Personnel

COR's shall notify State and County Office personnel of reviews according to 1-COR, paragraph 31.

D Entrance Conferences

Entrance conferences shall be held according to 1-COR, paragraph 43.

E Documenting Reviews Using Electronic CORP (eCORP)

COR's shall document reviews in eCORP as follows.

- Document each review using eCORP.

Note: In eCORP, use National Code Designation, "**12 – ECP, CRP-C/S, and CRP-PIP National Review**" to identify the review.

- If ECP, CRP C/S agreements, and/or PIP's are applicable to a:
 - combined county, issue 1 report that covers all counties in combination using the actual headquarter county as the eCORP "Headquarter" county
 - shared management county, issue a separate report for **each** county.

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5 Conducting the National Target Review (Continued)

E Documenting Reviews Using Electronic CORP (eCORP) (Continued)

- Use **only** the following eCORP exhibits in reports. Exhibit:
 - 24.0, “Signature Requirements”
 - 50.1, “CRP Cost-share Operations”
 - 55.0, “ECP”.

Note: PIP findings shall be reported in Exhibit 50.1.

- Select the following general record types, as applicable. In Exhibit:
 - 50.1, use “FSA-848/A/B” for C/S agreements
 - 50.1, use “CRP-1” for PIP’s
 - 55.0, use “FSA-848/A/B”.
- Enter record ID’s and record ID types according to the following table, as applicable.

Exhibit and General Record Type	Record ID and Record ID Type
50.1, FSA-848/A/B (CRP C/S agreements)	<ul style="list-style-type: none"> • C/S agreement number • “#”
50.1, CRP-1 (PIP’s)	<ul style="list-style-type: none"> • CRP contract number • “Contract”
55.0, FSA-848/A/B	<ul style="list-style-type: none"> • C/S agreement number • “#”

- Enter all applicable payments associated with each general record.

Examples: ECP C/S agreement 2014 0068 has 5 participants. Five payments will be entered for the general record ID 2014 0068.

Seven PIP’s have been selected for review. Three PIP’s are associated with the same contract number; four PIP’s are associated with four different contract numbers. Five general records will be entered in eCORP. One CRP contract number will have three PIP’s entered. The other four CRP contract numbers will each have one PIP entered.

- Findings and references in Exhibits 50.1 and 55.0 have been updated. Most of the findings in these exhibits apply to and may be used for this review.

Note: If the applicable exhibit does not already include a finding that is needed, COR shall request a new finding by e-mail to ORAS. COR shall include in the request a draft narrative and reference for the finding.

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5 Conducting the National Target Review (Continued)

E Documenting Reviews Using Electronic CORP (eCORP) (Continued)

- The following are **required** to be included in reports:
 - records shall be associated with all findings
 - improper payment records shall be associated with findings that result in payments being improper
 - comments shall be included with all findings to provide detailed information about errors.

F Mini Conferences

Mini conferences shall be held according to 1-COR, subparagraph 44 C.

G Exit Conferences

Exit conferences shall be held according to 1-COR, paragraph 47.

H Conducting 1 Review at a Time

To the extent possible, COR's are to conduct 1 review at a time. ORAS prefers that at the end of a review, COR report is issued before the next review begins. Any overlapping of reviews shall be kept to a minimum.

6 Corrective Action Plans (CAP's) and Closings

A CAP Approval

CAP's are **required** to be approved within 10 workdays of the report date. Request for an extension may be submitted to ORAS by SED or CORP coordinator.

B Closing Reports

Closing reports are **required** to be submitted to SED within 30 workdays of the report date. Requests for extensions may be submitted to ORAS by SED or CORP coordinator.

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7 Policy and Procedure Questions

A Questions About the Scope of the National Target Review

Contact ORAS with any questions about policies and procedures for conducting the national target review.

B Questions About Specific CRP and ECP Procedures

COR's shall contact the applicable State Office program specialist, for the applicable State, with any questions about specific program policies and procedures for a specific review.

COR's may contact ORAS if the State Office specialist **cannot** provide an adequate answer or is **not** available. When this occurs, ORAS will consult the applicable National Office program division for guidance.

ECP C/S Agreements – Verification Items

A Overview

This exhibit provides verification items for conducting the national target review of ECP C/S agreements with performance certified in CY 2014.

The verification items are divided into the following categories:

- general program administration
- C/S application processing
- C/S agreement processing
- performance certification and payment processing
- practice implementation.

B C/S Application Processing

FSA-848:

- is on file
- adequately identifies what is requested
- is signed by the:
 - applicant
 - technical agency.

Onsite inspection is completed and documented adequately or waiver is on file.

C/S request is filed within the required timeframe or justification is on file for late-filed C/S request.

Practice is started within the required timeframe or waiver of prior approval rule is on file.

FSA-850 or NRCS-CPA-052 is on file and complete before the practice is approved.

FSA-217 or CCC-860 is complete and on file for limited resource application and limited resource designation is correctly entered in CSS.

ECP C/S Agreements – Verification Items (Continued)**C C/S Agreement Processing**

FSA-848A:

- is on file
- adequately identifies what is approved
- is signed by:
 - the participant
 - an authorized FSA representative.

Agricultural market value is adequately documented on FSA-23.

FSA-848A is reviewed/approved by the applicable authority.

FSA-848A approval is adequately documented in COC minutes.

Participant is adequately notified of FSA-848A approval.

D C/S Performance Certification and Payment Processing

FSA-848B:

- is on file
- adequately supports practice and/or component extent performed
- is signed by the:
 - participant
 - technical agency
 - authorized FSA representative.

Partial performance meets requirements for payment, and FSA-18 is on file and complete.

Copy of supporting evidence of practice cost is on file and adequately supports C/S payment. Participant is notified of requirement to retain supporting evidence. Original supporting evidence is returned to the participant.

C/S payment is issued after:

- practice and/or component is completed
- performance is reported and certified
- payment is approved.

ECP C/S Agreements – Verification Items (Continued)**D C/S Performance Certification and Payment Processing (Continued)**

The following eligibility documents are on file and acceptable:

- AD-1026 for participant and affiliates
- CCC-902
- CCC-901, if applicable
- AGI certification, if required by a specific apportionment.

Copy of supporting evidence of practice cost is on file and adequately supports C/S payment. Participant is notified of requirement to retain supporting evidence. Original supporting evidence is returned to the participant.

Performance report is submitted before the practice expiration date or the authorized extension deadline.

Practice extensions are processed correctly.

Contributions by ineligible contributors are handled correctly.

C/S payment is:

- within established limits
- calculated based on correct rates and specifications
- calculated based on eligible costs
- issued for eligible:
 - participant
 - acreage
 - practice.

Small payment policy requirement is met.

Qualifying minimum cost of restoration is met or adequate waiver is on file.

C/S for fencing is correctly adjusted for the age of the fence.

Adjustments to C/S agreements are processed correctly.

E Practice Implementation

Practice implemented meets all requirements and specifications.

CRP C/S Agreements – Verification Items

A Overview

This exhibit provides verification items for conducting the national target review of CRP C/S agreements with performance certified in CY 2014.

The verification items are divided into the following categories:

- C/S application processing
- C/S agreement processing
- performance certification and payment processing
- practice implementation.

B C/S Application Processing

FSA-848:

- is on file
- adequately identifies what is requested
- is signed by the:
 - applicant
 - technical agency.

CRP-1 is on file. It is signed by all participants, approved by an authorized FSA representative, and the practice information matches CPO and FSA-848.

FSA-848 was prepared immediately following CRP-1 approval. This means it was prepared within a reasonable timeframe following CRP-1 approval.

C C/S Agreement Processing

FSA-848A:

- is on file
- adequately identifies what is approved
- is signed by:
 - the participant
 - an authorized FSA representative.

CRP C/S Agreements – Verification Items (Continued)**D Performance Certification and Payment Processing**

FSA-848B:

- is on file
- adequately supports practice and/or component extent performed
- is signed by the:
 - participant
 - technical agency
 - authorized FSA representative.

Partial performance meets requirements for payment, and FSA-18 is on file and complete.

Copy of supporting evidence of practice cost is on file and adequately supports C/S payment. Participant is notified of requirement to retain supporting evidence. Original supporting evidence is returned to the participant.

CPO adequately supports C/S agreement and payment.

C/S payment is issued after:

- practice and/or component is completed
- performance is reported and certified
- payment is approved.

The following eligibility documents are on file and acceptable:

- AD-1026 for participant and affiliates
- CCC-902
- CCC-901, if applicable
- AGI certification.

Federal crop insurance requirement is met.

Performance report is submitted before the practice expiration date or the authorized extension deadline.

Practice extensions are processed correctly.

Contributions by ineligible contributors and special interest groups are handled correctly.

CRP C/S Agreements – Verification Items (Continued)

D Performance Certification and Payment Processing (Continued)

C/S payment is:

- within established limits
- calculated based on rates and specifications in effect when C/S was approved
- calculated based on eligible costs
- issued for eligible:
 - participant
 - acreage
 - practice.

Adjustments to C/S agreements are processed correctly.

E Practice Implementation

Practice implemented meets all requirements and specifications.

PIP's – Verification Items**A Overview**

This exhibit provides verification items and guidance about reportable findings for conducting the national target review of PIP's issued in CY 2014.

B Verification Items

PIP is:

- issued for an eligible practice that is supported by the CRP-1 and FSA-848B
- calculated correctly
- rounded to the nearest whole dollar
- based on eligible costs
- issued after final performance is reported, certified, and C/S payment is approved.

PIP is issued in full; no partial PIP's are issued.

The following eligibility documents are on file and acceptable:

- AD-1026 for participant and affiliates
- CCC-902
- CCC-901, if applicable
- AGI certification.

Federal crop insurance requirement is met.