

For: County Offices

EQIP CCC-1245 Review

Approved by: State Executive Director



1 Overview

A Background

The State NRCS office has advised local offices of an OIG audit finding of 2003 and previous years contract items that have not been completed in the scheduled year. The State NRCS office has instructed local offices to address the open CCC-1245's by utilizing the CCC-1200 Technical Practice Status Report. The NRCS actions are to be completed by August 1, 2004. District Directors were informed of these actions during the June District Directors' meeting.

B Purpose

This notice provides COF information on the NRCS EQIP CCC-1245 review process and a copy of NRCS Oklahoma Bulletin No. OK300-4-17.

2 County Office Action

A NRCS Bulletin

Exhibit 1 provides the NRCS Oklahoma Bulletin Number OK300-4-17. The Bulletin requires NRCS local offices to review the status of outstanding CCC-1245's for 2003 and prior years for completion in the specified year and to take appropriate actions.

B CCC-1200 Technical Practice Status Report EEB720-R001

FSA shall provide NRCS upon request the CCC-1200 Technical Practice Status Report, EEB720-R001. NRCS will utilize the report to determine actions to take on uncompleted practices.

Upon review of the status report by NRCS, NRCS will provide FSA with updated information for each incomplete practice listed on the report. Actions may include extending a practice completion date, canceling the CCC-1245, payment processing, deletion of the practice, or termination of the CCC-1200.

Disposal Date: 01-01-05	Distribution: County Offices
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2 County Office Action (continued)

C FSA Completion Date

The local NRCS has been directed to reconcile and provide information by August 1, 2004. FSA shall complete actions, requested by NRCS resulting from the practice review, by September 1, 2004.

United States Department of Agriculture



Natural Resources Conservation Service, State Office, 100 USDA, Suite 206, Stillwater, OK 74074-2655

(405) 742-1236

June 22, 2004

OKLAHOMA BULLETIN NO. OK300-4-17**SUBJECT: LTP – Mandatory Status Reviews of Environmental Quality Incentives Program (EQIP) Contracts**

Purpose: To provide field office personnel with the requirements and instruction for completing status reviews on existing EQIP contracts with open (uncompleted) prior year contract items.

Expiration Date: September 30, 2004

Action required by August 1, 2004

The Office of Inspector General's (OIG's) audit survey of the Environmental Quality Incentives Program (EQIP) found that, in many cases, Farm Service Agency's (FSA's) System 36 still shows contract funds obligated for contract items/conservation practices scheduled to be completed in fiscal year 2003 and earlier. These obligations have not been completed in the scheduled year or rescheduled to current and future years. To correct this problem, the Natural Resources Conservation Service (NRCS) will need to take immediate action. It is recognized that field office staffs are very busy, but it is essential that this issue be addressed in a timely manner. This request has been reviewed with the national office, and has been determined critical.

Therefore, NRCS District Conservationists will review the progress on all active EQIP contracts that have cost-share or incentive payments scheduled for 2003 and prior years yet to be paid. By August 1, 2004, following Conservation Programs Manual (CPM) 440, par. 515.113 (http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_515_K_113.htm), NRCS will conduct status reviews on all active EQIP contracts, fiscal years 1997-2003, where the schedule of operations is not being followed (cost-share items are open for 2003 and earlier), or if all required contract provisions are not being met.

To facilitate the identification of contracts having open contract items for 2003 and earlier, each District Conservationist will request report EEB720-R001 from the Farm Service Agency county office. If contracts are present on the lists that are serviced by another NRCS field office, the District Conservationist will provide a copy of the report to the applicable servicing District Conservationist. A sample printout of this report with interpretive comments is attached to this bulletin for reference. The report should be generated for all EQIP fund codes and all fiscal years. Every effort must be made to conduct these reviews concurrent with ongoing activities in order to minimize added workload.

It is recognized that this may create a substantial workload for some offices. If additional support is needed to accomplish this review, District Conservationists will coordinate assistance with their respective Assistant State Conservationist for Field Operations, ASTC (FO).

By August 1, 2004, as applicable, the designated conservationist will:

- Reschedule practices by making pen and ink changes and initialing the changes. If applicable, extend the contract expiration date by making a pen and ink change on the CCC-1200 and initial and date the change (minor contract modification). Provide FSA and the participant(s) with copies of the revised practice schedule and/or CCC-1200. Refer to CPM

(MORE)

DIST: AO

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- 440, par. 515.112. http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_515_K_112.htm
- Process the applicable CCC-1245 for payment for practices that were completed on time, but participants had not yet requested payment for the completed practice.
 - Execute a major contract modification to delete contract items that are no longer needed or required under the contract. This modification must include supporting information documenting that the application offer index or evaluation points were not affected at a level that would have otherwise made the contract ineligible to be approved as of the original contract approval date.
 - Terminate the contract according to the EQIP Manual, section 515.115. Notify FSA and the participant, in writing, of the termination, effective date, and whether refunds and/or liquidated damages are required. If several contracts are terminated, this information may be communicated by one notice including a list or table. If termination notice is not mutually agreed to by the participant, appeal rights must be given in the letter to the participant. The contract cannot be terminated until the time for appeal has expired or appeal rights have been completed. Refer to CPM 440, par. 515.115. http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_515_K_115.htm. District Conservationists are requested to resolve all contract compliance issues within policy guidance before pursuing this option.
 - Completely resolve all other administrative matters relating to the schedule and completion of the contract as dictated by the status review.

All field office action must be completed and communicated to FSA by August 1, 2004. FSA will complete the update of the System 36 records by September 1, 2004.

/s/

M. DARREL DOMINICK
State Conservationist

Attachment

Example Report ID: EEB720-R001

Funding year and contract fund code		CONTRACT NUMBER	PRODUCER NAME	CONTRACT STATUS	TECH FRAC CODE	TECH FRAC DESCRIPTION	CCC-1245 CONTROL NUMBER	C/S-INC APPROVED	C/S-INC EARNED	YEAR SCHED
OKI ANHMA County A U. S. Department of Agriculture Farm Service Agency CCC-1200 Technical Practice Status Report Prepared: 06-14-2004 As Of: 06-14-2004 Page: 1 Report ID: EEB720-R001 Program Code: EQIP										
PROGRAM: EQIP FUND CODE: 401111/1998 Priority Area										
Contract Number and Participant Name		19980143	Producer A	APPROVED	512	Pasture & hay planting (Ac)	20000033	911	911	1999
					342	Critical area planting (Ac)	20040003	159	159	2001
					378	Pond (No)		2,072	2,072	2001
Contract item completed. Both C/S approved and earned columns have entries.		19980145	Producer B	APPROVED	528A	Prescribed grazing (Ac)	20020109			1999
					314	Brush management (Ac)	19990026	1,238	1,238	2000
					528A	Prescribed grazing (Ac)	20020110			2000
					528A	Prescribed grazing (Ac)	20020111			2001
					314	Brush management (Ac)	20020100	536	536	2002
					528A	Prescribed grazing (Ac)	20020112			2002
					595	Pest management (Ac)	20020099	1,035	1,035	2002
					528A	Prescribed grazing (Ac)	20020113			2003
Contract items scheduled in 2001 and not completed. C/S Approved column has entry; C/S earned is blank. Status review is REQUIRED.		19980147	Producer C	APPROVED	528A	Prescribed grazing (Ac)	20020103			1999
					314	Brush management (Ac)	20000021	338	338	2000
					528A	Prescribed grazing (Ac)	20020104			2000
					528A	Prescribed grazing (Ac)	20020105			2001
					314	Brush management (Ac)	20020102	143	143	2002
					528A	Prescribed grazing (Ac)	20020106			2002
					595	Pest management (Ac)	20020101	690	690	2002
					528A	Prescribed grazing (Ac)	20020107			2003
					528A	Prescribed grazing (Ac)	20020108			2004
Management items scheduled in contract non cost-share - NO review needed. All cost shared items are completed.		19980148	Producer D	APPROVED	528A	Prescribed grazing (Ac)	20020115			1999
					314	Brush management (Ac)	20000028	394	394	2000
					528A	Prescribed grazing (Ac)	20020116			2000
					528A	Prescribed grazing (Ac)	20020117			2001
					314	Brush management (Ac)	20020114	446	446	2002
					528A	Prescribed grazing (Ac)	20020118			2002
					595	Pest management (Ac)	20020121	510	510	2002
					528A	Prescribed grazing (Ac)	20020119			2003
					528A	Prescribed grazing (Ac)	20020120			2004
All cost shared items are completed - NO review needed.		19980149	Producer E	APPROVED	600	Terrace (Ft)	20010049	676	676	2001
					600	Terrace (Ft)	20010047	122	122	2001
		19980151	Producer F	APPROVED	314	Brush management (Ac)	20020137	1,035	1,035	1999
					528A	Prescribed grazing (Ac)	20020131			1999
					595	Pest management (Ac)	20020138	677	677	1999
					528A	Prescribed grazing (Ac)	20020132			2000
					528A	Prescribed grazing (Ac)	20020133			2001
					528A	Prescribed grazing (Ac)	20020134			2002
					528A	Prescribed grazing (Ac)	20020135			2003
					528A	Prescribed grazing (Ac)	20020136			2004
PROGRAM TOTALS: 6 38 11,010 8,089										
PROGRAM: EQIP FUND CODE: 401111/1999 Priority Area										
All cost shared items are completed - NO review needed.		19990206	Producer G	APPROVED	342	Critical area planting (Ac)	20000008	1,679	1,679	2000
					362	Diversion (Ft)	20000007	412	412	2000
					512	Pasture & hay planting (Ac)	20000006	984	984	2000
					600	Terrace (Ft)	20000005	1,141	1,141	2000
					512	Pasture & hay planting (Ac)	20020148	375	375	2002
		19990207	Producer H.	APPROVED	342	Critical area planting (Ac)	20000004	159	159	2000
					378	Pond (No)	20000003	2,527	2,527	2000