UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
100 USDA, Suite 102
Stillwater, OK 74074-2653

OK Notice CONOP-68

For: County Offices

2003 EQIP Application Situations

Approved by: State Executive Director

Jim Reese

1 Overview

A Background

The NRCS State Office recently distributed Oklahoma Bulletin No. OK440-3-6 to field offices. The bulletin addresses situations that exist with EQIP applications. The bulletin answers many questions on EQIP received from county offices. Responsibilities of EQIP and the processing of applications were addressed in the 2003 Joint Memorandum provided in OK Notice CONOP-66.

2 EQIP Applications

A Receiving Applications and Signatures

FSA shall continue to accept applications from individuals seeking to apply for EQIP cost-share assistance. FSA is responsible for obtaining signatures on only the EQIP applications taken by FSA. NRCS will obtain all signatures on applications submitted at the NRCS office.

FSA will generate an automated EQIP application from manual applications received from NRCS and the Conservation District and include **all associated producers** on the automated CCC-1200. Based on their records, NRCS will then determine the adequacy of signatures.

B Recording Applications

All EQIP applications received by FSA, NRCS, and/or the Conservation District shall be entered into the automated system. FSA shall establish a system with NRCS to allow for entry of the applications timely in the system to prevent all manual applications needing to be data loaded in the automated system at one time. The referenced NRCS bulletin requires the application to be provided to FSA within five days of receipt.

Disposal Date:	**Distribution:**
04-01-04	County Offices

2 EQIP Applications (Continued)

C Sufficiency of Information

Applications from NRCS shall provide adequate information to generate the automated application. Bulletin OK440-3-6 outlines to NRCS what information FSA will need to establish the automated record. Manual applications, that do not provide sufficient information, shall be returned to NRCS.

D Multiple Farms and Tracts

The EQIP software now allows for multiple farms and tracts on a single CCC-1200. The information received from NRCS should be sufficient enough to determine the number of farms, and tracts to be included on the CCC-1200.

A tract of land may now have multiple EQIP contracts for conservation assistance.

E Farm Records

There will be instances where NRCS will provide applications for producers that do not have farm records. It is FSA's responsibility to contact the producer and establish the farm record. The CED is encouraged to establish a system with the DC to capture this information from the producer while the EQIP application is being submitted.

F Application Report

Generate and provide to NRCS the Application Received Report (EEB710-R001) on a weekly basis.

G Deferred Applications

Following the final evaluation for 2002 EQIP funds, many of the CCC-1200s not funded were identified as "deferred" in the automated system. Producers were requested to notify the NRCS office if they wanted to leave their deferred application on file for the next evaluation period.

FSA shall review the EQIP CCC-1200 Status Report, that is printed monthly, to identify if "deferred" CCC-1200s exist. Reports, that indicate "deferred" CCC-1200s, shall be reviewed with NRCS to determine if the CCC-1200s need to be disapproved or reinstated to an active status.

There have been requests for FSA to cancel all deferred CCC-1200s and generate a new CCC-1200 with the current fiscal year. FSA shall only reinstate or disapprove a deferred CCC-1200. FSA shall not cancel or defer CCC-1200s in order to generate a new application number. Deferred applications reinstated shall have the current fund code placed in the system for the CCC-1200.

3 EQIP Contract Status

A Contract Status Report

FSA shall generate the EQIP CCC-1200 Status Report and provide to NRCS. NRCS will review the report and inform FSA of CCC-1200s, shown as expired in the contract period column of the report, that need to be terminated or modified, due to a contract extension. Expired contracts, that require no modification, require no action by FSA, except to return slippage amounts, if applicable, to the FSA State Office. The expired contracts will reside in the system.

As stated above, this report shall be printed monthly to determine whether action is needed on any CCC-1200.

4 NRCS Bulletin

A Oklahoma Bulletin No. OK440-3-6

Exhibit 1 provides the NRCS Bulletin OK440-3-6. Counties shall be familiar with the contents of the bulletin and respond to the actions required of the NRCS DC.

United States Department of Agriculture

NRCS
Natural Resources Conservation Service
State Office
100 USDA, Suite 206
Stillwater, OK 74074-2655
Telephone (405) 742-1236

March 20, 2003

OKLAHOMA BULLETIN NO. OK440-3-6

SUBJECT: PGM – Environmental Quality Incentives Program (EQIP) Guidance on Administration and Management

Purpose: To provide field offices current status and actions to be taken regarding EQIP in 2003.

Expiration Date: September 30, 2003

The comment period for the EQIP proposed rule closed on March 12, 2003. NRCS National Office personnel are preparing the final rule for review of USDA and OMB for publication in the Federal Register. Publication of the final rule is still several weeks from completion. The national office has advised that the Conservation Programs Manual revision for the EQIP and the fiscal year 2003 program allocations will be provided subsequent to publication of the rule. Nationally, the total financial assistance and technical assistance fiscal year appropriation for EQIP is $695 million dollars, over $300 million more than fiscal year 2002. This increase represents a significant commitment of resources to natural resource conservation efforts this year.

Offices are making good progress in publicizing the availability of EQIP to address significant local natural resource issues. The late delivery of these funds makes advance processing of applications imperative. Field offices will be required to take quick and immediate action upon the delivery of the 2003 funding to develop and obligate contracts to secure these funds for Oklahoma's conservation efforts. The attached Memorandum of Understanding (MOU) between FSA and NRCS at the national level outlines the tasks to be performed by each agency in administering EQIP for 2003 and applies to all existing and new contracts. Further policy guidance will come with the publishing of the final rule and revised manual. Until such instruction is received, the following action will be required:

Processing EQIP Applications

1. NRCS, FSA, and conservation districts will continue to receive applications from all individuals seeking to apply for EQIP cost-share assistance.

   NRCS will record the date of receipt on the application. If the application is received from an agency other than NRCS, record the referring agency (FSA or conservation district) along with the date. The application will also be entered on the NRCS LTP-003, or equivalent form for tracking status of the application. An Excel spreadsheet version of the form can be accessed at http://intranet.ok.nrcs.usda.gov/PGM/Forms%20For%20Download/NRCS-LTP-3.xls. Field offices may add additional columns to this form as needed to facilitate tracking of the applications.

DIST: AO

(MORE)

The Natural Resources Conservation Service provides leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.

An Equal Opportunity Provider and Employer

2. Within 5 days of receipt of new applications, NRCS will forward a copy of the application to the FSA county office with sufficient information for the FSA office to complete the producer/person eligibility determination and enter the application into the appropriate software. There may be a number of applications "on hand" in NRCS offices that have not been forwarded to FSA. NRCS will complete the necessary information and forward these to FSA within the next 10 days. The following are applicable to each application:

   FIPS state (40 for Oklahoma) and county code (three digits). This code will reflect the FSA administrative county designation for the individuals farm records and may be adjusted by FSA based on their records. (Note: The FSA administrative location will not necessarily determine the servicing NRCS office.)

   Farm and tract number(s) for the application as determined by NRCS and the applicant. More than one farm number and tract number may be included on the application. There is no requirement that each farm number have a separate application. If the farm and tract number(s) are unknown to NRCS, field offices will provide a photocopy map, legal description, or other location information for FSA to determine the exact land area covered by the application.

   Fund codes for 2003 are 40999/2003 for all first contract EQIP applications except High Plains Ground and Surface Water Conservation applications. High Plains Ground and Surface Water Conservation application fund code is 402222/2003. The fund code for second contract applications for land already under an EQIP contract is 408222/2003. Note: Actual policy for developing second contracts on land already under EQIP contract will not be available until after the final rule is published.

   Enter the HUA number, check block 7c, and as a minimum have at least one valid signature in block 10 for the applicant(s). Also, be certain to capture a legible address and phone number for the applicant. FSA may need to contact the individual to complete the necessary determinations.

   A single case file will be established in each office for retention of all unfunded EQIP applications including the application register tracking servicing of the application. File the original application and application servicing records with the application.

3. Within 5 working days, FSA will verify and update producer records for the participant. Incomplete applications will be returned to the NRCS office for completion prior to processing by FSA. If other owners or operators are found to be associated with the offered land, FSA will add them on to the CCC-1200. They will not be required to acquire signatures at that time. FSA will return the computer generated CCC-1200 to NRCS. NRCS will be responsible for working with the applicant to acquire the necessary signatures, land ownership and control information, and written authorization from owners to install structural measures if the owners are not going to be signatory to the contract.

   FSA will determine the producer'(s) compliance with the Adjusted Gross Income certification and compliance with the landlord/tenant provisions. In situations where NRCS is referring large quantities of applications, a reasonable amount of time beyond 5 working days will be agreed between the NRCS District Conservationist and FSA County Executive Director for completing the application services. NRCS may still schedule assistance and service the applicant even without FSA's action on the application.

4. FSA will generate an Application Report weekly. This report will list all applications included in the FSA system. NRCS will cross-check this list with the NRCS-LTP-003 to ensure that all applications are being addressed.

5. NRCS will continue to evaluate and schedule servicing of applicants. The first level of servicing will be based on application date of receipt. Additional application servicing priorities may be determined on the basis of local emphasis priorities, efficient serving of workload, and geographic related resource concerns. These servicing priorities should be reviewed with the local conservation district by the district conservationist at a regularly scheduled board meeting. The district conservationist will document these discussions and, if appropriate, review and document discussions with the local work group.

   Continue to use the CCC-1201 for documenting the evaluation of the application (section I) and requested conservation practices (sections III, VII, IX, and X) with the applicant. You should note in using this form with the producer that the offer index (division of cost by evaluation points) and the opportunity to bid down cost-share rates and incentive payment levels are no longer applicable to the program. The EQIP contract will not include non-cost-shared practices.

   Each office will be responsible for maintaining a separate application ranking list for each set of evaluation criteria used in the conservation district or county. You should not mix the points from multiple sets of evaluation criteria to determine an application's rank. An Excel spreadsheet is provided at http://intranet.ok.nrcs.usda.gov/PGM/Forms%20For%20Download/Sample%20Application%20Ranking%20List_2003.xls for each office to use. You will be required to use and complete this spreadsheet in its entirety for all applications evaluated in the funding period. Each district conservationist will be required to electronically submit this spreadsheet or spreadsheets to the Programs Section at the end of the funding period for analysis and oversight.

Processing CCC-1245s, Applications for Payment

Review the attached MOU for NRCS responsibilities in regard to the CCC-1245. FSA will provide this form at the beginning of the FY for practices scheduled in the year. NRCS will make all necessary changes and certifications to the CCC-1245. FSA will return incomplete or inaccurate forms to NRCS. However, FSA is not authorized to do a second party review of the payment. As such, it is the responsibility of the NRCS certifying official to be certain the form is correctly completed and funds are available in the contract (FSA will provide the balance available upon request) to cover the payment. Each district conservationist should provide internal management processes for review and checking of computations.

FSA has issued instruction regarding the Prompt Payment Act to county offices. The Act requires payment within 30 days of the date the participant requested payment or provided all required and necessary documentation in support of the payment request. Designated conservationists should accurately date stamp the payment application upon receipt from the participant. FSA will perform calculations utilizing the date stamp; however, in the absence of a date stamp, FSA will use the date provided with the participant's signature in block 27. NRCS designated conservationists will promptly process all payments requested by the participants. If the participant provides inadequate documentation, the district conservationist will provide the participant notification in writing. This will document the basis for payment delay if beyond the 30-day signature date.

CCC Designated Certifying Officials should sign, not initial, the CCC-1245 in block 25. Retain a copy of the CCC-1245 and supporting documentation in part six of the six-part folder. Forward the original signature CCC-1245 to FSA for payment. FSA will retain the original form CCC-1245 in their record and return to NRCS a Producer Disbursement Transaction Statement. NRCS will file this statement with the applicable CCC-1245.

Expiring Contracts (FY 1997 and 1998 Contracts)

Most of the EQIP contracts enrolled in FY1997 were eligible to expire in 2002. Contracts enrolled in FY1998 are eligible to expire this year. NRCS should take immediate action to determine if these contracts can be expired as complete, need to be extended, or are in violation. Each district conservationist will request an EQIP contract status report from FSA and determine if the expiration status on 1997 and 1998 contracts is correct. If modifications and extensions of contracts are warranted, immediately initiate these discussions and modifications with the participants. NRCS is responsible for completing the modifications to the contract support document and CCC-1200 to extend these contracts and notifying FSA by copy of these forms. If the contracts are complete, no action is required.

This bulletin has been reviewed with the FSA state office. Additional information will be provided as the final rule and manual revision become available. Until then, all questions should be referred through your EQIP Team Contact to the Programs Section.

/s/ Leslie R. Conner, Acting For

M. DARREL DOMINICK
State Conservationist

Attachment