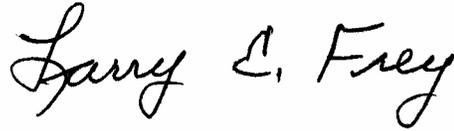


For: Oregon County Offices

**LTP - EQIP Contract Reviews, Terminations, and Schedule Updates**

Approved by: Larry Frey, State Executive Director



**1 Overview**

**A Background**

OIG conducted an audit survey of the EQIP program. The audit survey found that contracts were not terminated or rescheduled when the original contract schedule was not followed. In a joint NRCS and FSA memo, NRCS was instructed to rectify the situation with these contracts. FSA is instructed to record any changes when notified by NRCS.

NRCS is to notify FSA of the necessary changes to and terminations of EQIP contracts by August 2, 2004 and FSA is to record the changes and terminations into S/36 by September 15, 2004.

**B Purpose**

To provide COFs with a copy of the joint FSA and NRCS memo on EQIP Contract Reviews, Terminations, and Schedule Updates.

And to provide a copy of the EQIP workload priority for county FSA offices.

Instruct CEDs to contact NRCS to verify there were no terminated or modified CCC-1200s.

**Disposal Date:**

November 1, 2004

**Distribution:**

Oregon County Offices, COFs relay to local NRCS

## OR CONOP-22

### 2. COF Action

#### A EQIP Priorities

The following is the EQIP workload priority for county FSA offices as provided by WDC:

1. Record new FY 2004 contract obligations
2. Issue earned, approved payments
3. Issue earned, approved EOA payments
4. Record contract terminations and related financial actions, including deobligating funds, recording refunds, or setting up receivables, as applicable
5. Close out terminated contracts using procedure in CONSV-90
6. Record rescheduled practices and contract expiration date extensions

#### B Recording Changes and Terminations

COFs will record all contract modification requests or terminations received from NRCS. All changes shall be loaded into S/36 by September 15, 2004.

#### C Contacting NRCS

If NRCS has not provided copies of terminated or modified CCC-1200s by August 2, 2004, CEDs shall contact their NRCS counterpart to verify that there were no terminated or modified CCC-1200s.

#### D Contacts

COFs shall contact Lois Loop if there are questions regarding this notice.

United States Department of Agriculture



Natural Resources Conservation Service  
P.O. Box 2890  
Washington, D.C. 20013

SUBJECT: LTP – Environmental Quality Incentives Program (EQIP)  
Contract Reviews, Terminations, and Schedule Updates

Date: JUL 12 2004

TO: State Conservationists  
State Executive Directors (SEDs)

File Code: 300-19

FROM: Thomas W. Christensen  
Director  
Financial Assistance Programs Division  
Natural Resources Conservation Service

for Robert Stephenson  
Director  
Conservation and Environmental Programs Division  
Farm Service Agency

**NRCS Action Required by August 1, 2004**  
**FSA Action Required by September 15, 2004**

The Office of Inspector General recently conducted an audit survey for EQIP. A major concern identified in the audit survey was that contracts were not being terminated or practices rescheduled when the original contract scheduling has not been followed. In order to bring the federal financial obligations up to date, NRCS offices were instructed by a memorandum from the Deputy Chief for Programs dated June 9, 2004, Subject: LTP - Progress Review and Revision or Modification of Active EQIP Contracts, to review and take action on all EQIP contracts for which implementation has not been completed according to the scheduled plan of operations.

Immediately upon receipt of this memorandum, and to facilitate NRCS review, county FSA offices will print CCC-1200 Status Report EEB715-R001 and provide the report to the appropriate NRCS field office. NRCS will review the report and contract support data in order to determine which contracts require a status review according to 440-CPM-515.113 a and will conduct the reviews. Based on the status review findings, NRCS will take one of the following actions by August 1, 2004:

- Terminate the contract and notify FSA, in writing, of the termination, effective date, and whether refunds and/or liquidated damages or cost recovery are required. If several contracts are terminated, NRCS has authorized communicating the information by one notice including a list or table. Ensure that copies of terminated CCC-1200's are provided to FSA according to 440-V-CPM-515.115 d.

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- Modify the EQIP plan of operations using pen and ink to reschedule practices to current or future years and extend the contract expiration date on the CCC-1200, as appropriate. Changes must be initialed and dated. NRCS will provide FSA and the participant(s) with copies of the revised plan of operations and/or CCC-1200.

For terminations received from NRCS by August 2, 2004, county FSA offices must record all contract terminations and associated refunds, receivables, or de-obligations and close out the contracts according to CONSV-90 no later than September 15, 2004. In addition, all rescheduled practices and revised contract expiration dates should be recorded in System 36 by September 15, 2004.