

For: State and County Offices

**Funds Control for FY 2009 Biomass Crop Assistance Program (BCAP)
Collection, Harvest, Storage, and Transportation (CHST) Payments**

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Notice BCAP-2 provided policies and procedures to implement the BCAP CHST Matching Payment Program. Twenty-five million dollars has been provided for FY 2009 CHST matching payments to eligible material owners. Not more than 20 percent of the total 2009 program payments to eligible material owners will be available for crop residues from those commodities that are also eligible to receive payments under Title I of the 2008 Farm Bill.

FY 2009 funds may be allocated to States who have entered into agreements with CHST-qualified Biomass Conversion Facilities (BCF's) or States that include a county with eligible material owners who may sell biomass to CHST-qualified BCF's in another State.

B Purpose

This notice advises:

- State Offices to request BCAP CHST allocations, if appropriate
- that FY 2009 BCAP CHST funds have been split into 2 accounting codes corresponding to eligible material from Title I crop residues and non-Title I eligible material
- that the CRES ledger system will include separate fund codes for FY 2009 corresponding to the 2 accounting codes.

Disposal Date	Distribution
April 1, 2010	State Offices; State Offices relay to County Offices

Notice BCAP-4

2 Requesting BCAP CHST Matching Payment Program Allocations

A Estimating Allocation Need

During the process of approving CHST-qualified BCF's, there is a requirement for BCF's to supply certain information, including types of eligible material that may be used.

State Offices are instructed to consult with CHST-qualified BCF's to determine the amount of eligible material (in dry tons) that may be purchased by December 31, 2009. This number may then be multiplied by the current market price to estimate the needed allocation. If an estimate of current market price is not available, State Offices may use \$30 as an estimate of the current market price.

If CHST-qualified BCF's are unwilling or unable to estimate the amount of eligible material (in dry tons) that they expect to purchase, State Offices may contact CEPD to assist in making an estimate.

B Requesting Allocations

State Office must submit requests for 2009 BCAP CHST allocations to CEPD and include the following information:

- name of CHST-qualified BCF's that will be purchasing eligible material
- type(s) of eligible material to be purchased (Title I, non-Title I, or both)
- estimated allocation necessary to obligate payments to eligible material owners who are or will be selling eligible material to CHST-qualified BCF's during FY 2009.

Submit requests to Kelly Novak by e-mail to kelly.novak@wdc.usda.gov.

3 Receiving and Recording Allocations

A Separation of Funds for Title 1 and non-Title 1 on CRES

FY 2009 BCAP CHST funds are separated into 2 accounting codes, corresponding to eligible material from 2008 Farm Bill Title 1 crop residues and non-Title 1 eligible material. Payments issued for FY 2009 BCAP CHST will be deducted from a particular account based on the eligible material for which payment is being made.

CRES ledger software includes 2 fund codes for FY 2009 BCAP, corresponding to the separate accounting code for 2008 Farm Bill Title I and non-Title I eligible material. Therefore, State and County Offices must maintain separate ledgers to ensure funds control.

Notice BCAP-4

3 Receiving and Recording Allocations (Continued)

B Receiving Allocations for State Offices

Allocations will be made to State Offices using CCC-357. Item 3 will include the program name, "2009 Biomass Crop Assistance Program". This will be the only program name used for FY 2009.

Information on the portion of allocation for each 2009 BCAP funds code will be included in "Remarks", page 2. The following 2 fund codes have been created for 2009 BCAP and shall also be listed on CCC-357:

- 80 – BCAP - Regular
- 81 – BCAP – Title 1 Crop Residue.

C Recording Allocations in CRES for State Offices

Before recording the first allocation, State Offices will need to establish C/S reserve accounts for each fund code. Instructions for establishing C/S reserve accounts are found in 1-CONSV, Part 9, paragraph 632. Suggested names for the C/S reserve accounts are "CSBC80" and "CSBC81", corresponding to each fund code.

State Offices will record allocations to the CRES ledger system according to 1-CONSV, Part 9. The ledger code will be "BCAP". The BCAP ledger code will have the following 2 fund codes:

- 80 – BCAP - Regular
- 81 – BCAP – Title 1 Crop Residue.

Note: For FY 2009, funds shall not be set aside for technical assistance. Technical assistance reserve should be \$0. Funds not allocated to counties should remain in C/S reserve.

D Recording Allocations in CRES for County Offices

County Offices will record allocations to the CRES ledger system according to 1-CONSV, Part 8. The ledger code will be "BCAP". The BCAP ledger code will have the following 2 fund codes:

- 80 – BCAP - Regular
- 81 – BCAP – Title 1 Crop Residue.

Notice BCAP-4

3 Receiving and Recording Allocations (Continued)

E Separation of Funds for Title 1 and non-Title 1 in eFunds

Two eFunds accounts have been established for FY 2009 BCAP CHST Matching Payment Program payments:

- “2750: BCAP Coll-Harvest-Stor-Tran”
- “2753: BCAP Title 1 Crop Residue”

CEPD will allocate funds in eFunds based upon the type of allocation request received from State Offices. Information about allocation type (Title I or non-Title I) and current eFunds allocations for each BCAP CHST eFund account shall be included on CCC-357, “Remarks”.

4 Action

A State Office Action

State Offices shall:

- follow the provisions in the notice
- ensure that counties follow subparagraph 3 D.

B County Office Action

County Offices shall follow subparagraph 3 D.