

For: State and County Offices

Policy for FY 2010 Biomass Crop Assistance Program (BCAP) Collection, Harvest, Storage, and Transportation (CHST) Obligations and Allocations

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notice:

- BCAP-4 provided instructions for FY 2009 BCAP CHST funds control
- BCAP-5 provided policy about FY 2009 BCAP funds and period of performance for FY 2009 AD-245's.

B Purpose

In anticipation of FY 2010 BCAP funds availability, this notice provides policy for the period of performance for AD-245's approved in FY 2010 and for making BCAP allocation requests for FY 2010.

2 Period of Performance

A Period of Performance on AD-245

BCAP AD-245's approved in FY 2010 must reflect expected eligible material delivery for a reasonable period of time necessary to complete delivery, not to exceed March 31, 2010. Therefore, an eligible material owner (EMO) will be required to provide an estimate of expected dry tons of eligible material delivered for a length of time as necessary to complete delivery, not to exceed March 31, 2010. This estimate is to be used as the "Extent Approved" on FY 2010 AD-245. If circumstances do not permit actual delivery of biomass to a Biomass Conversion Facility (BCF) before the March 31, 2010, deadline, COC's may allow a brief extension of actual delivery date, **not** to exceed 30 calendar days.

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

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2 Period of Performance (Continued)

A Period of Performance on AD-245 (Continued)

Subject to the availability of FY 2010 funds, the extent approved and/or C/S approved on FY 2010 AD-245 may be increased before March 31, 2010.

According to Notice BCAP-2, subparagraph 5 C, material sold before the date of approval on AD-245 is not eligible for a matching payment.

3 Submitting FY 2010 BCAP CHST Matching Payment Allocation Requests

A Estimating FY 2010 Allocation Need

Notice BCAP-4 provided guidance on estimating allocation need for FY2009 BCAP funds. Additional guidance for FY 2010 is provided in this paragraph. One or both of the methods below may be used to estimate allocation need.

State Offices shall consult with CHST-qualified BCF's to determine the following:

- amount of eligible material (in dry tons) that may be purchased by September 30, 2010
- current market price per dry ton
- expected BCAP participation rate for eligible material owners selling biomass to the CHST-qualified BFC.

These 3 values can be multiplied to estimate the allocation need.

Example: Between November 25, 2009, and March 31, 2010, Green Square Biomass expects to purchase 10,000 dry tons of eligible material at an average price of \$35 per dry ton. Green Square Biomass typically purchases its biomass from 5 biomass suppliers. Green Square Biomass expects 4 out of 5 biomass suppliers to participate in BCAP. Therefore, the estimated allocation necessary to fund the expected applications is \$280,000 (10,000 x \$35 X 80 percent).

State Offices shall query County Offices to determine the number of pending BCAP applications and base the allocation request on information contained in the pending applications.

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3 Submitting FY 2010 BCAP CHST Matching Payment Allocation Requests (Continued)

B Requesting Allocations

State Office must submit requests for FY 2010 BCAP CHST allocations to CEPD and include the following information:

- name of CHST-qualified BCF's and BCF identification number 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 2010
- method for estimating allocation need (consultation with BCF, review of pending BCAP applications, or both).

Submit allocation requests to Kelly Novak by e-mail at kelly.novak@wdc.usda.gov. Allocation requests for eligible material delivery to currently CHST-qualified BCF's should be received by November 25, 2009. This date may be extended.

4 Receiving and Recording Allocations

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

FY 2010 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 2010 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 2010 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.

B Receiving Allocations for State Offices

Allocations will be made to State Offices using CCC-357's. CCC-357, item 3 will include the program name, "2010 Biomass Crop Assistance Program". This will be the **only** program name used.

Information on the portion of allocation for each FY 2010 BCAP fund code will be included in CCC-357, "Remarks," page 2. The following 2 fund codes have been created for FY 2010 BCAP and shall also be listed on each CCC-357:

- 82 – BCAP – Regular FY 2010
- 83 – BCAP – Title 1 Crop Residue FY 2010.

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4 Receiving and Recording Allocations (Continued)

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. See 1-CONSV, Part 9, paragraph 632 for establishing C/S reserve accounts.

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:

- 82 – BCAP - Regular
- 83 – BCAP – Title 1 Crop Residue.

Note: For FY 2010, 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:

- 82 – BCAP – Regular
- 83 – BCAP – Title 1 Crop Residue.

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

Once FY 2010 funds are made available, two eFunds accounts will be established for FY 2010 BCAP CHST Matching Payment Program payments:

- "2750: BCAP Coll-Harvest-Stor-Tran", Program Year 2010
- "2753: BCAP Title 1 Crop Residue", Program Year 2010.

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."

Note: The previously established eFunds accounts for FY 2009 BCAP CHST Matching Payment Program payments will remain available in eFunds.

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5 Continued Availability and Ledger Management of FY 2009 BCAP Funds

A FY 2009 BCAP Ledger Management

No new obligations of FY 2009 BCAP funds may be made in FY 2010, except as provided for in Notice BCAP-5, subparagraph 1 C (errors, omissions, and corrections).

BCAP funds codes for FY 2009 will remain on the System 36 ledger. The eFunds accounts for FY 2009 will remain available in eFunds. State and County Offices that received allocations must continue to ensure that allocations are managed according to 1-CONSV, Parts 8 through 12.

6 Action

A State Office Action

State Office shall follow the provisions in this notice and ensure that County Offices follow the provisions in this notice.

B County Office Action

County Offices shall follow the provisions in this notice.