

For: State and County Offices

Handling FY 2001 CCC and LHHS Funds After September 30, 2001

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

In FY 2001, EQIP was funded from 2 separate funding sources:

- \$174 million in mandatory, year-specific funding from CCC
- \$26 million in appropriated, no-year LHHS funds.

Because of the different funding sources, CCC funds and LHHS no-year funds must be handled differently after the end of the FY.

B

Purpose

This notice provides instructions for State and County Offices for:

- policy regarding availability of FY 2001 CCC and LHHS no-year funds after September 30, 2001
- handling contracts funded with FY 2001 CCC funds or LHHS no-year funds timely approved by the COC but the approval date was not timely recorded in the automated system
- requesting reallocation of FY 2001 CCC funds from NRCS NHQ
- deadline for requesting reallocation of FY 2001 CCC funds
- requesting reallocation of LHHS no-year funds from NRCS State Office
- determining the effective year of an EQIP contract funded with LHHS no-year funds and the impact on issuing earned payments

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<p>Disposal Date</p> <p>October 1, 2002</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices and NRCS State Office</p>
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Notice CONOP-12

1 Overview (Continued)

B

Purpose (Continued)

- referring to Notice CONOP-11 if increased allocation is required to fully fund any FY 2001 contract due to an error, omission, appeal, or practice failure due to natural disaster beyond the producer's control
 - handling deobligated LHHS no-year funds.
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C

Contacts

If there are questions about this notice, State Offices shall contact Lynne Winemiller, CEPD at 202-720-4053.

D

Concurrence

NRCS NHQ concurs with this notice.

2 FY 2001 CCC Funds

A

Policy

Mandatory, year-specific funding from CCC is only available for obligation through September 30 of the applicable year. On October 1, 2001, FY 2001 CCC funds not obligated to EQIP contracts expired and became unavailable.

Note: EQIP funds are considered obligated when FSA COC approves CCC-1200. Entering the approval date in the automated system marks the funds as obligated on the County Office ledger.

CCC funds which were not marked as obligated in the automated system by COB September 30, 2001, expired and were removed from County Office ledgers. The expired funds were returned to State Office ledgers. Expired FY 2001 CCC funds on State Office ledgers are **not** available except to fund contracts as authorized by NRCS NHQ with concurrence by the National Office on a case-by-case basis according to subparagraph B.

B

Contracts Approved But Not Recorded by September 30, 2001

For contracts approved by COC September 30, 2001, but the approval date was not timely recorded to mark the funds as obligated in the automated system, the following action must be taken on a case-by-case basis for each contract.

- County Offices shall promptly notify State Offices by memorandum of the exact amount of EQIP allocation required to be reallocated to fund the contract. In no case shall the amount requested exceed the unobligated balance on the County Office automated ledger as of COB September 30, 2001. For reallocations, funds cannot be shifted between fund codes.
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Notice CONOP-12

2 FY 2001 CCC Funds (Continued)

**B
Contracts
Approved But
Not Recorded by
September 30,
2001 (Continued)**

- The request must include a copy of applicable COC minutes and a copy of CCC-1200 as signed by COC
 - State Offices shall review County Office requests for completeness and work with NRCS to prepare a joint written request for signature of NRCS State Conservationist and SED. FAX requests to NRCS NHQ, Conservation Operations Division, Attention: Anthony Esser, FAX number 202-720-4265
 - If the request for reallocation of FY 2001 CCC funds is approved, the State Office and NRCS State Conservationist will be notified in writing and provided reallocation instructions.
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Deadline for
Requesting
FY 2001
Reallocations**

All requests for reallocation of FY 2001 CCC funds must be submitted to NRCS NHQ, Conservation Operations Division no later than COB December 31, 2001.

In early 2002, the National Office will request the return of all expired FY 2001 CCC funds remaining on State ledgers.

3 FY 2001 LHHS No-Year Funds

**A
Policy**

Appropriated, FY 2001 LHHS no-year funds are available until expended. On October 1, 2001, LHHS no-year funds which were not obligated in the automated system by COB September 30, 2001, were removed from County Office ledgers and returned to State Office ledgers. These funds remain available.

**B
Contracts
Approved But
Not Recorded by
September 30,
2001**

- For contracts approved by COC by September 30, 2001, but the approval date was not timely recorded in the automated system:
- County Offices shall promptly notify State Offices by memorandum of the exact amount of EQIP LHHS allocation required to be reallocated to fund the contract(s). The amount requested shall **not** exceed the unobligated balance on County Office's automated ledger as of COB September 30, 2001
 - request must include a copy of applicable COC minutes and a copy of CCC-1200 as signed by COC
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Notice CONOP-12

3 FY 2001 LHHS No-Year Funds (Continued)

B

Contracts Approved But Not Recorded by September 30, 2001 (Continued)

- NRCS State Conservationist, with State FSA Committee (STC) concurrence, is authorized to approve documented requests to reallocate LHHS no-year funds. Approval decisions shall be provided to the State Office in writing. Concurrence decisions shall be recorded in the STC minutes.
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Reallocating FY 2001 LHHS No-Year Funds

For contracts approved for reallocation of LHHS no-year funds according to subparagraph B, State Offices shall:

- reduce the 2001 State EQIP ledger by the amount determined for reallocation to the County Office and record the county allocation increase on State ledgers, as appropriate
- notify the County Office by memorandum of the amount of reallocation authorized to be recorded, the applicable fund code, and the supplemental fund code XX8501/2001.

Upon receipt of the memorandum, the County Office shall:

- promptly record the reallocation to the County Office ledger using supplemental fund code xx8501/2001
 - record the approval date for the applicable contract(s).
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D

Effective Year of Contract

The date on which COC approves CCC-1200 determines the contract year.

- CCC-1200's approved by COC by COB September 30, 2001, are 2001 EQIP contracts. Earned payments may be issued beginning October 1, 2001
- CCC-1200's initiated in FY 2001 may be approved by COC after September 30, 2001, using LHHS no-year funds. However, CCC-1200's approved by COC beginning October 1, 2001, are FY 2002 EQIP contracts. Earned payments may be issued beginning October 1, 2002

Note: FY 2002 EQIP contracts funded using LHHS no-year funds shall use supplemental fund code xx8501/2002

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Notice CONOP-12

3 FY 2001 LHHS No-Year Funds (Continued)

E Errors, Omissions, and Appeals (EOA)

LHHS no-year funds shall not be used to fund EOA's. If increased allocation is required because of an EOA for any FY 2001 contract for which the source of the initial allocation was LHHS no-year funds, CCC funds from the FY 2001 National EOA reserve shall be requested. Follow Notice CONOP-11.

Note: Increased allocation shall not be requested until the initial contract allocation has been depleted.

F Handling Deobligated LHHS No-Year Funds

When LHHS no-year funds are deobligated from a contract:

- County Offices shall promptly return any deobligated LHHS no-year funds to the State Office by memorandum
- NRCS State Conservationist, with concurrence of STC, may reallocate deobligated LHHS no-year funds to County Offices to fund new EQIP contracts. FY 2002 EQIP contracts funded with LHHS no-year funds shall use supplemental fund code xx8501/2002.

Note: STC authority to concur in reallocations may be delegated to the SED.

- If necessary, LHHS and CCC funding on an EQIP contract may be commingled. For example, a county may have insufficient CCC funds to approve the last contract on the application ranking report but by also using LHHS funds, the contract may be funded and approved. FY 2002 EQIP contracts funded with both LHHS no-year funds and FY 2002 CCC funds must use both the supplemental fund code xx8501/2002 and the applicable priority area or Statewide concern fund code.
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4 Action

A State Office Action

State Offices shall:

- immediately provide a copy of this notice to County Offices and NRCS State Office
 - follow this notice in handling EQIP FY 2001 CCC and LHHS funds
 - ensure that all requests for reallocation of FY 2001 CCC funds are prepared as joint written requests for signature of SED and NRCS State Conservationist and contain the documents required according to subparagraph 2 B
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Notice CONOP-12

4 Action (Continued)

A

State Office Action (Continued)

- ensure that all requests for reallocation of FY 2001 CCC funds are submitted to NRCS NHQ by COB December 31, 2001.
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B

STC Action

STC's shall follow this notice to:

- concur with reallocation of FY 2001 LHHS funds to approved contracts according to subparagraph 3 B
 - concur with reallocation of deobligated FY 2001 LHHS funds according to subparagraph 3 F
 - ensure that concurrence decisions are documented in STC minutes.
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C

County Office Action

County Offices shall:

- follow this notice in handling EQIP FY 2001 CCC and LHHS funds
 - provide a copy of this notice to NRCS local office.
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D

NRCS State Office Action

NRCS concurs with this notice and agrees that State Conservationists shall follow this notice to:

- submit joint written requests signed by NRCS State Conservationist and SED for reallocation of FY 2001 CCC funds to approved contracts according to subparagraph 2 B
 - determine reallocation of FY 2001 LHHS funds to approved contracts with STC concurrence according to subparagraph 3 B
 - determine reallocation of deobligated FY 2001 LHHS funds with STC concurrence according to paragraph 3 F
 - ensure that copies of this notice are distributed to NRCS field Offices.
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