

**For:** State and County Offices

**CCC Software Modifications Included in  
County Release No. 516 and State Release No. 423**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The 2002 Farm Bill made several important changes to the Environmental Quality Incentives Program (EQIP). Software has been developed to provide automated support of those changes.

**B Purpose**

This notice informs State and County Offices that County Release No. 516 contains major software modifications for EQIP processing.

**C Software Modifications**

The software modifications in County Release No. 516 will:

- provide a revised CCC-1200 contract form
- provide a block for certifying limited resource or beginning producers on CCC-1200
- interface with common routines to determine whether a producer is eligible according to Adjusted Gross Income (AGI) requirements
- track payment limitation by both obligation amount and payments for each individual and entity
- attribute earnings down to the individual

<b>Disposal Date</b>	<b>Distribution</b>
August 1, 2004	State Offices; State Offices relay to County Offices and NRCS State Offices

## Notice CONSV-87

### 1 Overview (Continued)

#### C Software Modifications (Continued)

- provide new reports to track obligations and identify expiring contracts
- allow only 1 fund code for each CCC-1245
- add a fund code to the CCC county eligibility table for processing EOA's for FY 2002 second allocation EQIP contracts using 2002 first allocation EOA funding
- add a fund code to the CCC county eligibility table for processing FY 2002 EOA's using FY 2003 funds
- add several new practice codes to the CCC county eligibility table to process payments for technical assistance
- modify the way Conservation 305 reports are sorted at the county, State, and national levels.

#### D Contact

If there are questions about this notice, contact Sharon Rafter, CEPD, at 202-690-1612.

### 2 Payment Limitation and AGI Provisions

#### A Background

The 2002 Farm Bill provides that EQIP payments are limited to a total of \$450,000 for each entity or individual for the life of the Farm Bill. EQIP payments are not subject to the 3 entity rule or any other "person" determinations. The payments will be attributed to the entity or individual paid. When an entity is paid, amounts will be attributed to the individual member of the entity according to his share. EQIP is the only program currently required to use the attribution method of tracking payments.

**Important:** Payment limitation of \$450,000 per individual or entity over the life of the farm bill is a statutory requirement which cannot be waived.

The 2002 Farm Bill also requires that producers must meet AGI provisions to be eligible to receive payments.

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### 2 Payment Limitation and AGI Provisions (Continued)

#### B AGI Software Modifications

EQIP software has been modified to interface with Common Provisions to verify AGI eligibility. The software will verify AGI eligibility when:

- CCC-1200 is created
- CCC-1200 is approved
- a new producer is added to CCC-1200 after contract approval.

The AGI status at contract approval will remain in effect for the life of the contract. If a new producer is added to an existing CCC-1200, the software will only verify the AGI eligibility of the new producer. The status of any existing producer on the contract will not change.

Any producer who is not AGI compliant may be included on a contract, but the producer's contract amount will be zero.

#### C Payment Limitation and Obligation Software

Software has been modified for payment limitation purposes. In addition to tracking payments made, EQIP software will track amounts obligated to each producer. The software will not allow an amount greater than \$450,000 per entity or individual to be obligated. This will prevent amounts that cannot be earned from being obligated.

Because the statutory payment limitation applies to all contracts entered into between 2002 and 2007, the software will run an edit to check obligations and payments for contracts already in the system. Those contracts will be automatically updated as applicable. Two new reports have been added to the CCC-1200 Reports Menu to allow County Offices to determine obligations by producer and by contract and to help identify any potential problems.

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### 2 Payment Limitation and AGI Provisions (Continued)

#### C Payment Limitation and Obligation Software (Continued)

This is an example of Menu EEB700.

```
COMMAND                                EEB700                                W7
Conservation CCC-1200 Reports/Forms Menu
-----
1. CCC-1200 Applications Received          9. Print Blank CCC-1200
2. CCC-1200 Status Report
3. CCC-1200 Technical Practice Status Report
4. CCC-1200 Detail Fund Code Report
5. CCC-1200 Summary Fund Code Report
6. CCC-1200 Contracts Expiring This FY Report
7. CCC-1200 Producer Obligation Report
8. CCC-1200 Contract Obligation Report

                                20. Return To Application Primary Menu
                                21. Return To Application Selection Screen
                                22. Return To Office Selection Screen
                                23. Return To Primary Selection Menu
                                24. Sign Off

Cmd3=Previous Menu

Enter option and press "Enter".
```

#### D County Office Action

After County Release No. 516 has been installed, County Offices shall print the CCC-1200 Contract Obligation Report. If any contract exceeds \$450,000, the County Office shall contact the State Office.

County Offices shall:

- print the Producer Obligation Report
- if any producer has been obligated more than \$450,000, contact the State office **immediately.**

**Important:** Payment limitation of \$450,000 per individual or entity over the life of the Farm Bill is a statutory requirement which **cannot** be waived.

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### 2 Payment Limitation and AGI Provisions (Continued)

#### E State Office Action

State Offices shall:

- notify the State NRCS Office and CEPD of any contract greater than \$450,000
- notify the State NRCS Office and CEPD of any producers who have contract obligations totaling more than \$450,000
- contact CEPD if assistance is needed.

**Important:** Payment limitation of \$450,000 per individual or entity over the life of the farm bill is a statutory requirement which **cannot** be waived. Any obligation that exceeds the requirement will not be able to be earned.

### 3 CCC-1200 Processing Software Changes

#### A Background

EQIP CCC-1200 has been revised. The new form is effective immediately. Policy regarding use of the revised form was issued to State Offices by the FSA Program Manager on July 28, 2003.

#### B Software Modifications

County Release No. 516 includes the automated revised CCC-1200. The revised CCC-1200:

- contains an application signature area as well as the contract signature area
- includes an area for the producer to certify as a beginning or limited resource producer.

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### 3 CCC-1200 Processing Software Changes (Continued)

#### C Beginning or Limited Resource Producers

After County Release No. 516 has been installed, County Offices shall record beginning or limited resource producer certifications for all applicable producers.

Step	Action
1	On Menu EEB200, ENTER "2", "Update CCC-1200", and PRESS "Enter". Screen EEB20500 will be displayed.
2	On Screen EEB20500, enter the contract number, and PRESS "Enter" until Screen EEB21500 is displayed.
3	On Screen EEB21500: <ul style="list-style-type: none"><li>• PRESS "Cmd20"</li><li>• enter the number of the producer to be updated</li><li>• PRESS "Enter"</li><li>• Screen EEB21510 will be displayed.</li></ul>
4	On Screen EEB21510, ENTER "Y" for the Beginning or Limited Resource Producer (Y or N) field, and PRESS "Enter". Screen EEB21500 will be redisplayed.
5	Repeat steps 3 and 4 for each producer on the contract that needs updated.  <b>Note:</b> A contract may contain both beginning or limited resource producers and producers who are not beginning or limited resource producers.
6	After all applicable producers have been updated, PRESS "Enter" on Screen EEB21500.
7	Press "Enter" on the remaining screens of the option.

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### 3 CCC-1200 Processing Software Changes (Continued)

#### D CCC-1200 Participant Data Screen EEB21510

This is an example of Screen EEB21510.

```
Conservation          089-SAINT LAWRENCE          Selection          EEB21510
CCC-1200 Participant Data Screen          Version: AD27  07-28-2003 09:36 Term E4
-----
Contract Number: 2003 0126          Program:  EQIP          Fund Code: 369999/2003
Farm NO:          564          Tract NO: 1131

          Producer ID: 134 30 2389 S  DEAN BARBECUE
                                          3 FARM LN
                                          CABBON, NY 13617-3610

AGI:          Y

Unobligated Amount:          450,000

Primary Producer (Y or N):
Beginning or Limited Resource Producer (Y or N): N
Obligated Amount:
C/S Amount Earned:          0

Enter=Continue  Cmd4=Previous Screen  Cmd7=End
```

The AGI flag is read from the farm record. If AGI for a producer is "N", that producer is not eligible to receive EQIP payments. That producer's unobligated funds will be "0".

The system will calculate the funds available for obligation for each producer. The total available for each producer or entity under the Farm Bill is \$450,000. This limit covers multiple years, beginning with contracts signed in FY 2002 and including contracts signed through FY 2007. The unobligated amount available will be determined by starting with \$450,000 and subtracting any approved contracts for that individual or entity. The amount available for this producer will display on Screen EEB21510.

The Primary Producer field will allow the user to designate whether this producer is the primary producer on the contract or not.

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3 CCC-1200 Processing Software Changes (Continued)

D CCC-1200 Participant Data Screen EEB21510 (Continued)

The Beginning or Limited Resource Producer (Y or N) field will allow the user to designate whether the producer is a beginning or limited resource producer. The producer self-certifies as beginning or limited resource on CCC-1200.

The obligated amount is the amount obligated to this individual or entity on this contract only. The obligated amount cannot exceed the unobligated amount. If the selected producer has no unobligated amount available, the producer can be included on the contract but cannot receive any payment.

The cost-share earned amount field is display only.

E CCC-1200 Participant Data Screen EEB21500 With Participants

The following is an example of how Screen EEB21500 is displayed after each participant is added.

Conservation		054-Barbour					
EEB21500							
CCC-1200 Participant Data Screen		Version:	A001	07-19-2003	15:18	Term E3	
-----							
Contract NO:	2003 0020	Program:	EQIP	Fund Code:	549999/2003		
Farm NO:	485	Tract NO:	3401				
#	Producer ID	Name	AGI	Unoblig Amount	Oblig Amount	Begin /Lmt	
1	*222 22 2222 S	Rudolph Hesse	Y	400,000	3,000	N	
2	333 87 4417 S	Ruth Hesse	Y	400,000	1,000	N	
3	444 44 3516 S	William Miller	Y	75,000	1,000	N	
* Indicates Primary Producer For Contract							
Enter=Continue	Cmd4=Previous	Screen Cmd7=End	Cmd16=Add	Cmd20=Change			
	Cmd24=Delete						

**Unobligated Amount** is the amount of payment limitation available for each producer for obligation to this contract. The amount **includes** the amount obligated on this contract for each producer.

**Obligated Amount** is the amount obligated for each producer on this contact only. The obligated amount cannot exceed the unobligated amount.

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**3 CCC-1200 Processing Software Changes (Continued)**

**F CCC-1200 Approval Screen EEB24000**

After all producers have been added to the contract and Enter is pressed on Screen EEB21500, Screen EEB24000 will be displayed as follows.

Conservation	089-SAINTE LAWRENCE	Selection	EEB24000
CCC-1200 Approval Screen	Version: AD27	07-28-2003 10:24	Term E4
-----			
Contract Number: 2003 0126	Program: EQIP	Fund Code: 369999/2003	
Farm NO: 564	Tract NO: 1131		
Producer ID: 111 11 1111 S	Name: DEAN BARBER		
Unobligated: 900,000	Program Balance:	10,000	
	Overall Contract Value:	2,500	
Fund Code: 369999/2003			
	Change(+/-)	Contract	Balances
C/S Amount Approved:	2500		0
Performance Amount Approved:			0
Performance Amount Earned:			0
Balance Available:			0
Unapproved Contract Balance:			0
Amount CCC-1245's Issued:			0
NO MORE FUND CODES			
Enter=Continue Cmd4=Previous Screen Cmd7=End			

The **Unobligated Amount** is the sum of the available payment limitation for all producers on this contract. The amount displayed is the total amount of payment limitation possible for this contract.

This field is display only. The system will recalculate this field based on the amount entered in the C/S Amount Approved field.

**Example:** John Smith and Jane Brown are producers on a contract. They do not have any other farming interests in common. Both John and Jane have additional farming interests.

<b>Producer</b>	<b>Limitation</b>	<b>Approved Contracts</b>	<b>Unobligated Amount</b>
John Smith	\$450,000	\$150,000	\$300,000
Jane Brown	\$450,000	\$ 25,000	\$425,000
<b>Total</b>			<b>\$725,000</b>

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3 CCC-1200 Processing Software Changes (Continued)

G Technical Assistance Practices

When technical assistance is being provided by a Technical Service Provider, those technical assistance practices must be included on CCC-1200. This is an example of Screen EEB24030 for adding a technical assistance practice.

However, these amounts are not part of the contract-approved amount and do not count against payment or obligation limitations. Following is an example of Screen EEB24005 after a technical assistance practice has been added to the contract.

Conservation	089-SAINT LAWRENCE	Selection	EEB24005						
CCC-1200 Technical Practice Screen	Version: AD27	07-28-2003 13:08	Term E4						
-----									
Contract Number:	2003 0126	Program:	EQIP						
Farm NO:	564	Tract NO:	1131						
Producer ID:	111 11 1111 S	Name:	DEAN BARBER						
Overall Contract Value:	2,500	Total Amt to be Distributed:	0						
Technical #	Code	Extent Approved	Total C/S-Inc	C/S-Inc Level	Offer Level	Year Sched	CCC-1245 CTL NO.	Extent Perform	C/S-Inc Earned
1	313	1.0	2500	75	75	2003			
2	911		300	100					
Totals:			2500						
NO MORE PRACTICES									
Enter=Continue    Cmd4=Previous Screen    Cmd7=End    Cmd13=More Data    Cmd16=Add									
Cmd20=Change    Cmd24=Delete									
IM: Technical code has been added.									

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### 3 CCC-1200 Processing Software Changes (Continued)

#### H CCC-1200 Participant Obligation Screen EEB25000

When a contract has multiple producers, Screen EEB25000 will display to allow the user to enter the amount obligated for each producer. This is an example of Screen EEB25000.

```
Conservation          089-SAINT LAWRENCE          Selection    EEB25000
CCC-1200 Participant Obligation Screen Version: AD27 07-28-2003 10:44 Term E4
-----
Contract Number: 2003 0126      Program:  EQIP      Fund Code: 369999/2003
Farm NO:          564          Tract NO: 1131

Obligated Amount - Contract:    2,500
Obligated Amount - Producers:   2,500

# Producer ID   Name                AGI   Unoblig   Oblig   Begin
                Name                Y     Amount   Amount /Lmt
1 *333 33 3333 S DEAN BARBER        Y   450,000    1500    N
2  16 1111111 E FLOCK FARMS         Y   450,000    1000    N

* Indicates Primary Producer For Contract
NO MORE PRODUCERS

Enter=Continue  Cmd4=Previous Screen  Cmd7=End
```

### 4 Processing 2002 EOA's

#### A Background

Processing EOA's for 2002 will be challenging because of the separate types of funding used for the original contracts. The identity of the funding source for original contracts and any EOA modifications to the contract must be maintained using separate fund codes and separate payment codes.

**Notice CONSV-87**

**4 Processing 2002 EOA's (Continued)**

**B County Office Action**

County Offices shall make applicable fund codes eligible on the CCC county eligibility table according to 2-CONSV, paragraph 14.

Obligation and payment limitation amounts are locked in during the initial contract approval. Therefore, funds cannot be added to a 2002 or 2003 contract. County Offices will need to create a contract for EOA funds for 2002 and 2003. Notate on this contract that it is supplemental to the original contract.

For first allocation contracts, County Offices shall use the same fund code as used on the original contract, such as "XX9999/2002". For second allocation contracts, County Offices shall use supplemental fund code "XX8002/2002", regardless of the fund code on the original contract. The following table explains the use of fund codes to fund EOA's for 2002 contracts using 2002 first allocation EOA reserve funds.

<b>IF the fund code on the contract is...</b>	<b>THEN use fund code...</b>
XX3333/2002	XX3333/2002
XX7222/2002	XX8002/2002
XX7233/2002	XX8002/2002
XX7299/2002	XX8002/2002
XX9999/2002	XX9999/2002

After all 2002 State reserves have been depleted, current year funds may be used to fund 2002 EOA's. Those current year funds must be placed in fund code "XX8003/2002", regardless of whether the contract was funded under the first or second 2002 allocation.

**C State Office Action**

For first allocation contracts, State Offices shall transfer funds from "XX0000/2002" to the fund code on the contract, such as "XX9999/2002".

For second allocation contracts, State Offices shall transfer funds from "XX0000/2002" to "XX8002/2002".

After EOA funds have been transferred to the correct fund code, the State Office shall transfer the funds to the County Office.

Notice CONSV-87

5 CCC-1200 Contracts Expiring This Fiscal Year Report

A Background

NRCS has requested a report to help identify contracts that are expiring this fiscal year. Those contracts may need to be extended. Contracts that expire **cannot** be reinstated.

B Software Modifications

The software modifications in County Release No. 516 include the new CCC-1200 Contracts Expiring This Fiscal Year Report.

C County Office Action

County Offices shall print the CCC-1200 Contracts Expiring This Fiscal Year Report as soon as County Release No. 516 has been installed. County Offices shall provide this report to the NRCS office.

For future years, County Offices shall print the CCC-1200 Contracts Expiring This Fiscal Year Report in the beginning of the fiscal year and provide it to NRCS.

This is an example of CCC-1200 Contracts Expiring This Fiscal Year Report.

WEST VIRGINIA		U.S. Department of Agriculture		Prepared: 08-15-2003		
BARBOUR		Farm Service Agency		As of: 08-15-2003		
Report ID: EEB745-R001		CCC-1200 Contracts Expiring This Fiscal Year Report				Page: 1
Contract Number	Fund Code	Producer Id Number	Producer Name	Contract End Date		
19980048	121111/1998	222 64 5067	S EDWARD L BEARD	08-25-2003		
19980056	121111/1998	111 11 1111	S SHIRLEY MANSON	09-21-2003		
20020138	127222/2002	111 11 1111	S SHIRLEY MANSON	09-01-2003		