

For: State and County Offices

**Announcing Signup 53 (Non-CREP)
Practice Incentive Payment (PIP) Policy and Software Availability**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Food Security Act of 1985 (the Act), as amended, authorized PIP for continuous practices in an amount not to exceed 50 percent of the actual cost of establishing all measures and practices, including seed costs related to the establishment of cover.

In addition, the Act requires that the cost-sharing payments to the owner or operator, when combined with the sum of payments from all other funding sources for measures and practices, do not exceed 100 percent of the total actual cost of establishing those measures and practices.

Further, CRP regulations at 7 CFR 1410.40 (d)(2) provide that “the amount of cost-share payments, including practice incentive payments, may not be an amount that, when added to such assistance from other sources, exceeds 100 percent of the cost of establishing the practice.”

2-CRP, subparagraph 197 B provides PIP provisions. PIPs for signup 53 (non-CREP) are considered C/S payments and are not subject to the \$50,000 annual rental payment limitation provisions. The PIP rate is set at 5 percent of the actual cost of establishing the practice for continuous (non-CREP) practices approved in FY 2020.

B Purpose

This notice provides:

- PIP software release information
- PIP policy
- actual cost policy
- State and County Office actions.

Disposal Date	Distribution
September 1, 2020	State Offices; State Offices relay to County Offices and NRCS State Offices

Notice CRP-899

1 Overview (Continued)

C Contact

State Offices will submit questions about this notice to the National Office according to the following table.

Policy Questions	Software Questions
Virginia Green, Continuous CRP Program Manager, by either: <ul style="list-style-type: none">• e-mail to virginia.green@usda.gov• telephone at 202-401-9144.	Steve Stark, Program Specialist, by either: <ul style="list-style-type: none">• e-mail to steve.stark@usda.gov• telephone at 816-823-5347. Mary Sebben, Program Specialist, by either: <ul style="list-style-type: none">• e-mail to mary.sebben@usda.gov• telephone at 816-823-1461.

2 Signup 53, Continuous (Non-CREP) PIP Software Release

A PIP Software Release

Beginning with continuous CRP signup 53 (non-CREP) contracts, PIP will be automatically issued through Cost Share Software (CSS) after producer and TSP certifications have been completed and the user submits the major component or practice for payment in CSS.

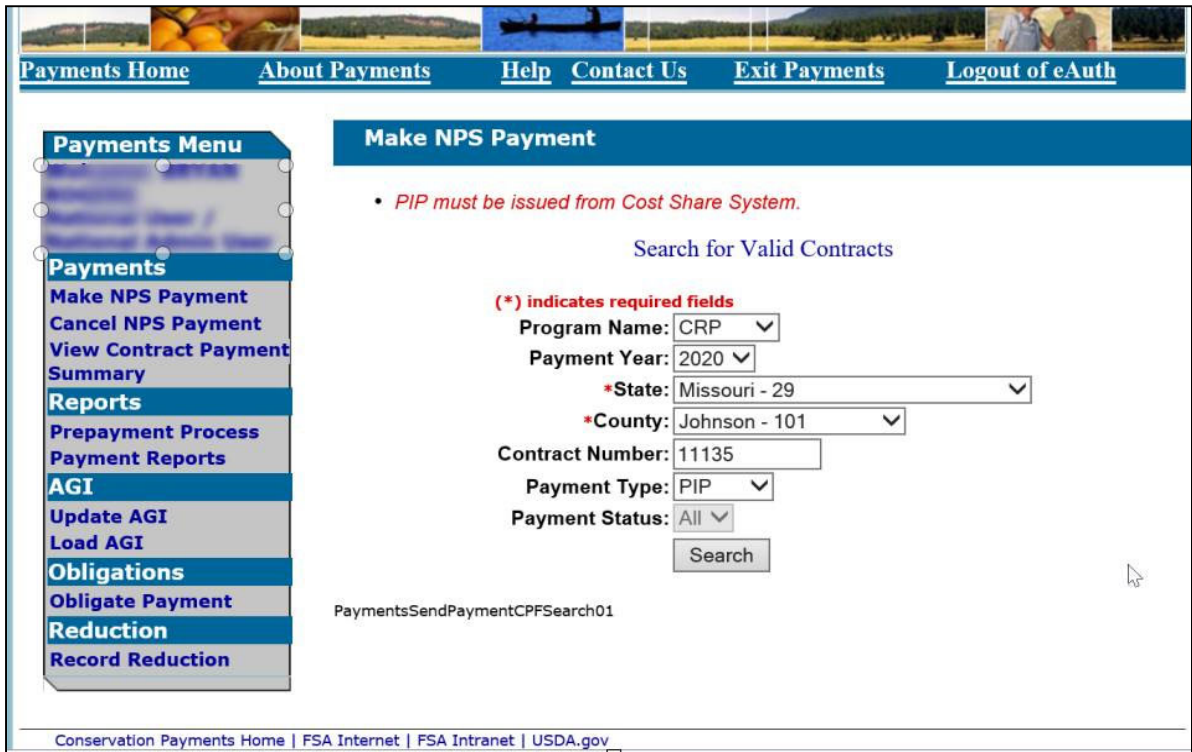
PIP eligibility will be configured in both CSS and Conservation Payments at the Signup Name and Practice level.

Important: County Offices will continue to issue PIP's for previous signups and all CREP's as of the release of this notice through Conservation Payments according to 5-CRP, paragraph 283.

2 Signup 53, Continuous (Non-CREP) PIP Software Release (Continued)

B Conservation Payments Screen Updates

The following message will be received if the user attempts to issue PIP through Conservation Payments when it should be issued through CSS.



Notice CRP-899

2 Signup 53, Continuous (Non-CREP) PIP Software Release (Continued)

B Conservation Payments Screen Updates (Continued)

The following message will be received if the practice is not eligible for PIP.

The screenshot shows the 'Make NPS Payment' interface. At the top, there is a navigation bar with links: [Payments Home](#), [About Payments](#), [Help](#), [Contact Us](#), [Exit Payments](#), and [Logout of eAuth](#). On the left, there is a 'Payments Menu' with options like 'Make NPS Payment', 'Cancel NPS Payment', 'View Contract Payment Summary', 'Reports', 'Prepayment Process', 'Payment Reports', 'AGI', 'Update AGI', 'Load AGI', 'Obligations', 'Obligate Payment', 'Reduction', and 'Record Reduction'. The main content area is titled 'Make NPS Payment' and displays an error message: '• Signup and or Practice is not eligible for PIP.' Below the message is a 'Search for Valid Contracts' section. A legend indicates that red asterisks (*) denote required fields. The form contains the following fields: 'Program Name' (dropdown menu with 'CRP' selected), 'Payment Year' (dropdown menu with '2020' selected), '*State' (dropdown menu with 'Missouri - 29' selected), '*County' (dropdown menu with 'Johnson - 101' selected), 'Contract Number' (text input field with '10052'), 'Payment Type' (dropdown menu with 'PIP' selected), and 'Payment Status' (dropdown menu with 'All' selected). A 'Search' button is located at the bottom of the form. The footer of the page includes the text: 'Conservation Payments Home | FSA Internet | FSA Intranet | USDA.gov'.

3 Signup 53, Continuous (Non-CREP) PIP Policy

A PIP Eligibility

PIP is an incentive payment made to an eligible participant who certifies completion of the installation of a major component or CRP practice that is an eligible continuous CRP signup practice. PIP's will be made after:

- CRP-1 is approved
- AD-1026 has been completed and signed
- participant signs FSA-848B and reports completion of the practice or major component
- all necessary documents to calculate total C/S amount for the major component or practice are obtained
- certification of compliance with AGI limitation has been received according to 5-PL, as applicable.

Notice CRP-899

3 Signup 53, Continuous (Non-CREP) PIP Policy (Continued)

B PIP Rate

Signup 53 PIP rate is 5 percent of the actual eligible cost of installing the practice.

C Practices Eligible for PIP

All signup 53 non-CREP continuous signup practices, except CP12, are eligible for PIP. See 2-CRP, subparagraph 66 D for the list of practices eligible for PIP.

PIP is applicable to land offered under infeasible-to-farm provisions.

PIP is authorized for re-enrolled eligible continuous CRP signup practices **only** if new C/S is approved for the re-enrolled eligible practice.

Note: PIP is authorized for CP21 and CP22 when a denitrifying bioreactor or saturated buffer is installed on an existing or re-enrolled CRP-1.

D Partial PIP's

Partial PIP's are authorized at the completion of a major component or practice following the submission of the producer and TSP certifications.

E PIP Calculation

PIP is equal to 5 percent of the producer's actual cost, except when it is limited to the original amount obligated (5 percent multiplied by the approved C/S amount multiplied by 2). This limit prevents inflated PIP's for producers whose actual costs are higher than the average actual cost for the area.

Note: PIP obligation will occur automatically at the time of the approval of the C/S agreement at 5 percent multiplied by the approved C/S amount multiplied by 2.

Example 1: PIP Using "Actual Cost" Formula

Bob Smith enrolls 10 acres. Bob's CRP-1 share is 100 percent.

Not to exceed rate for the practice is \$150 per acre. Approved C/S amount is \$750.

Total producer's actual cost is \$1,500. The calculated C/S is \$750 from CCC.

PIP Calculation: 5 percent PIP multiplied by \$1,500 producer's actual cost = \$75

PIP paid to Bob is \$75.

Note: In this example, the calculated PIP based on the producer's actual cost does not exceed the maximum PIP based upon the approved C/S amount.

Notice CRP-899

3 Signup 53, Continuous (Non-CREP) PIP Policy (Continued)

E PIP Calculation (Continued)

Example 2: PIP Using “Approved C/S Amount” Formula

Bob Smith enrolls 10 acres. Bob’s CRP-1 share is 100 percent.
Not to exceed rate for the practice is \$150 per acre. Approved C/S amount is \$750.
Total producer’s actual cost is \$2,000. The calculated C/S is \$750 from CCC.

PIP Calculation: 5 percent PIP multiplied by \$750 approved C/S multiplied by 2 = \$75

PIP paid to Bob is \$75.

Note: In this example, the calculated PIP based on the producer’s actual cost exceeds the maximum PIP based upon the approved C/S amount, so PIP is limited based upon the approved C/S amount.

F PIP Accounting Code

The accounting code for automated PIP’s through CSS will be XXCRPPII. (“XX” is the program year.)

Notice CRP-899

3 Signup 53, Continuous (Non-CREP) PIP Policy (Continued)

G PIP Considered C/S

PIP is considered a C/S payment. PIP is not subject to the \$50,000 Annual Rental Payment Limitation. PIP, CCC C/S payments, and any C/S payments from other sources cannot exceed 100 percent of the actual cost of the practice.

If the sum of PIP plus the CCC C/S payment plus the C/S from other sources exceeds the producer's actual costs, FSA C/S will be reduced. The producer cannot be reimbursed for more than 100 percent of their actual cost.

Example 1:

John Jones enrolls 15 acres. John's CRP-1 share is 100 percent.
Total producer's actual cost is \$5,500. John's C/S from CCC calculates to \$2,750.
John received \$2,750 C/S from an outside source.

Calculation of payments to participant John:

$5\% \text{ PIP} \times \$5,500 = \275
 $\$2,750 \text{ CCC C/S} + \$2,750 \text{ Outside C/S} + \$275 \text{ PIP} = \$5,775$
 $\$5,775 > \$5,500$

PIP paid to John is \$275.
FSA C/S paid to John is \$2,475.

C/S is reduced by \$275 so that John's payments from all sources equals the total producer's actual cost.

Notice CRP-899

3 **Signup 53, Continuous (Non-CREP) PIP Policy (Continued)**

G PIP Considered C/S (Continued)

Example 2:

John Jones enrolls 15 acres. John's CRP-1 share is 100 percent.
Total producer's actual cost is \$5,500. John's C/S from CCC calculates to \$2,750.
John received \$5,500 C/S from an outside source.

Calculation of payments to participant John:

5 percent PIP x \$5,500 = \$275
\$2,750 CCC C/S + \$5,500 Outside C/S + \$275 PIP = \$8,525
\$8,525 > \$5,500

PIP paid to John is \$0.
FSA C/S paid to John is \$0.

John's payments from other sources equals the total producer's actual cost. The entire FSA C/S paid to John is reduced because the sum of PIP plus C/S plus C/S from other sources exceeds the producer's actual costs. Since no C/S is earned, PIP is not paid.

Notice CRP-899


4 PIP Software Instructions

A Practice Summary Screen

In the “Certify and Pay” process after selecting the practice to be certified on the Agreement Summary Screen, if the selected practice is eligible to receive PIP through CSS, then the message, “This is a PIP eligible practice.”, will be displayed on the Practice Summary Screen. A summary of the total C/S from other sources for the practice is also added to this screen.

Practice Summary

Control No : 29_101_2020_0050 **Creation Date :** 04/24/2020
Applicant Name : A PRODUCER **Project Area ID :** 1667
Agreement Status : CONTRACT_APPROVED **Contract Number :** 11129
[Add/View Notes](#)

Selected Practice: 01-CP23
Wetland Restoration
 

This is a PIP eligible practice.

*Certification Number	*Program Year	Producer Signature Date	TSP Signature Date	Producer Actual Cost Certified (\$)	Certification Links	Payment Status
Total Certifications for the Practice				0.00		
Total Cost Share from Other Sources for the Practice				0.00		

4 PIP Software Instructions (Continued)

B Create New Producer Certification – Component Rate Practice Screen

On the Create New Producer Certification – Component Rate Practice Screen, the additional question, “Add/Edit Cost Share From Other Sources?”, will be displayed. The user must answer “Yes” or “No” to this question.

If the user answers “No”, then the “Continue to Next Step” option takes the user to the Producer Certification Confirmation – Component Rate Practice Screen. The user will CLICK “Submit” to complete the producer certification.

If the user answers “Yes”, then the CostShare From Other Sources Screen will be displayed. The user must enter the C/S from other sources for all producers receiving a share of the C/S payment, and then CLICK “Continue”.

CostShare From Other Sources

Control No : 29_101_2020_0050

Applicant Name : A PRODUCER

Agreement Status : CONTRACT_APPROVED

Creation Date : 04/24/2020

Project Area ID : 1667

Contract Number : 11129

[Add/View Notes](#)

Selected Practice: 01-CP33

Producer Name	Current Cost Share From Other Sources (\$)	Adjustment Amount(\$)	New Cost Share From Other Sources (\$)
A PRODUCER	0	<input style="width: 50px;" type="text" value="140"/>	140.00
B PRODUCER	0	<input style="width: 50px;" type="text" value="47"/>	47.00
Total Cost Share from Other Sources for the Practice(\$)	0	187.00	187.00

The Producer Certification Confirm – Component Rate Practice Screen will be displayed. The user will CLICK “Submit” to finish the producer certification.

The user will be returned to the Agreement Summary Screen. The confirmation message, “Certification data submitted successfully”, will be displayed.

Notice CRP-899

4 PIP Software Instructions (Continued)

B Create New Producer Certification – Component Rate Practice Screen (Continued)

After completing TSP certification, the user can select the practice on the Agreement Summary Screen and request payment for that practice. In addition to the C/S payment being issued, PIP will be simultaneously issued as a separate payment. Both payments will be available for certification in NPS.

Note: The PIP amount is not displayed on the Certify and Pay Main Screen. The current C/S earned amount does not reflect any reductions of C/S from other sources.

5 Action

A State Office Action

State Offices must:

- follow the provisions in this notice
- ensure that County Offices follow the provisions in this notice.

B County Office Action

County Offices must:

- follow the provisions of this notice
- submit questions to their State Office.