



Natural Resources Conservation Service
State Office
100 USDA, Suite 206
Stillwater, OK 74074-2655
Telephone (405) 742-1236

May 28, 2003

OKLAHOMA BULLETIN NO. OK440-3-12

**SUBJECT: PGM – Environmental Quality Incentives Programs (EQIP)
Checklist of Program Actions for 2003**

Purpose: To provide field offices with a checklist of EQIP actions to be completed for fiscal year 2003 implementation of EQIP.

Expiration Date: September 30, 2003

The following checklist is provided to assist District Conservationists and Tribal Resource Conservationists in determining actions and necessary steps for implementation of EQIP this fiscal year.

- Determine advisory allocation from Bulletin OK440-3-8 for the county/conservation district base allocation, locally-led priorities of state significance, local emphasis areas, and outreach. District Conservationists are to establish an allocation tracking method to ensure that adequate funds exist prior to signing the CCC-1200, block 11, as the CCC Representative.
*Note: The actual allocations for EQIP have not been provided through the Farm Services Agency's accounting system. Therefore, **NO** CCC-1200s documents can be signed by NRCS District Conservationists at this time. Field offices will be notified when these funds become available for obligation.*
- Review and set county/conservation district list of eligible practices and cost-share rates. Refer to Bulletin OK440-3-9. Report in writing directly to Kevin Norton, ASTC (Programs) – Target date for completion June 9, 2003.
- Develop county level program summary using the template and example provided by Bulletin OK440-3-9. Transmit directly by email to Ted.Kuntz@ok.usda.gov – Target date for completion June 9, 2003.
- Review the Conservation Programs Manual, Part 515, Environmental Quality Incentives Program – Review Draft (5/23/03). Transmitted by Bulletin OK440-3-10.
- Establish a schedule of action to be taken to ensure applications are evaluated, selected for contract development, and contracts developed, signed, and obligated in FSA's system no later than July 15, 2003. Include, as a minimum, the following:
 - ✓ Set date(s) for selecting ranked applications for contract development.
 - ✓ Date to provide press releases to local newspapers – Bulletins OK440-3-8 and OK-440-3-11
 - ✓ Select applications for plan and contract development.
 - ✓ Send notification letters to approved and deferred applicants of status.
 - ✓ Development of contracts as early as possible, but no later than July 15, 2003.
 - ✓ Schedule other actions that may be needed to complete local program activity and prepare for 2004 implementation of EQIP.
- Edit and provide press release to local media sources. Bulletins OK440-3-8 and OK-440-3-11.
- Select from application ranking list(s) the highest ranked applications for funding based on the

DIST: AO

(MORE)

The Natural Resources Conservation Service provides leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.

available allocation. Refer to bulletin OK440-3-6, Item 5, for instruction on required spreadsheet for ranking lists.

Important Note: *If an application(s) with a total estimated EQIP cost of greater than \$90,000 is on the list of applications approved for contract development, immediately notify Kevin Norton, Assistant State Conservationist for Programs. Certain information will need to be provided for review of the Regional Conservationist prior to sending notification letters to applicants. The Regional Conservationist will be the designated CCC approving official on all contracts equal to or greater than \$100,000. Do not send any letters of approval or deferral if this situation occurs on your ranking list.*

- Prepare and distribute notification letters for accepted and deferred applications. Sample letters are available under the EQIP heading at the website http://intranet.ok.nrcs.usda.gov/PGM/html/forms_for_downloading.htm
- Develop conservation plans and related contractual documents for applications approved for contract development. These must be developed in Customer Service Toolkit using the 2003 approved list of eligible practices and cost-share rates. Refer to the attached EQIP contract check sheet for required documentation.
- Review conservation plan and obtain signatures on conservation plan and CCC-1200 and CCC-1200 Appendix. Copies of the DRAFT revised CCC-1200 and Appendix are attached for your review. The form has not been approved by OMB, as of this writing, and is not in the fillable form format. Do not use this form. This is provided to give offices a preview of the Limited Resource Farmer and Beginning Farmer self-certification and redesign of the form. The approved form will be forwarded to all offices upon receipt.
Note: The new CCC-1200 form and Appendix will be required for all 2003 EQIP contracts and new applications taken after release of the form. Applications previously received on the old form are still viable and will not require new signatures until they are selected for contract development.
- Provide completed CCC-1200 and related documents to the CCC Representative [District Conservationist, Tribal Resource Conservationist, ASTC(FO)] for signature in Block 11 of the CCC-1200. The signature authority must have the State Conservationist delegation with the representative's original signature on file in the FSA County Office. The delegations provided last year remain in effect and will require no further action. If a new delegation is applicable due to reassignments or vacancies, please advise the Programs Section. As in the past, the signatory authority on the CCC-1200 will be a person different than the signature authority for the CCC-1245. The only signature authority for contracts equal to or greater than \$100,000 is the Regional Conservationist.
- Provide copies of fully executed CCC-1200, CCC-1200 Appendix, and contract support document or AD-1155 to the Farm Service Agency county office for obligation. This action will occur, as soon as possible, but no later than July 15, 2003.
- Verify the balances available and needs for a subsequent contract and forward a final report via email to Kevin.Norton@ok.usda.gov on or before July 15, 2003. Refer to Bulletin OK440-3-8.
- Transmit final completed Excel ranking spreadsheets by email to Kevin.Norton@ok.usda.gov. This spreadsheet will include all ranked applications (eligible, deferred, and ineligible) for fiscal year 2003 and will be completed in its entirety, including civil rights data. Refer to bulletin OK440-3-6, Item 5. This will be provided no later than September 30, 2003.

/s/

M. DARREL DOMINICK
State Conservationist

Attachments

U.S DEPARTMENT OF AGRICULTURE NATURAL RESOURCES CONSERVATION SERVICE				
CONTRACT CHECK SHEET (EQIP)				
NAME(S) OF PRODUCERS:		CONTRACT NUMBER:	FIELD OFFICE:	
ITEMS REVIEWED			DC	Other
A. APPLICATION (CCC-1200)				
1. Participant is eligible [as determined by FSA, CPM-515.61(a)] and has control of the land for the required contract period [CPM-515.61(b)].				
2. Land is eligible [as determined by NRCS, CPM-515.62 (a,b,&c)] to participate in EQIP (check appropriate box): <input type="checkbox"/> Privately owned <input type="checkbox"/> Publicly owned [meeting provisions in CPM-515.62(c)] <input type="checkbox"/> Tribal, allotted, ceded, or Indian trust land				
3. Applicant owns or controls [CPM-515.62(c)] the offered acreage (check appropriate box): <input type="checkbox"/> Deed or other evidence of land ownership <input type="checkbox"/> Lease <input type="checkbox"/> Documented historical use of the land <input type="checkbox"/> Other FSA or NRCS records				
4. Conservation Program Application/Contract (CCC-1200, block 7), and Appendix to the CCC-1200 signed and dated by applicant [CPM-515.81(c), & 515.111(b)] and is one of the following (check appropriate box): <input type="checkbox"/> Participant receiving the cost-share or incentive payment <input type="checkbox"/> Owner of the land [required if applicant can't provide evidence of control or if structural practice(s) will be implemented, notarized letter of authorization from landowner may be substituted]				
5. EQIP Ranking Criteria Worksheet completed, signed, and dated by DC and participant (included on first cover of folder).				
B. PLAN SCHEDULE OF OPERATIONS				
1. An EQIP plan of operations (AD-1155 or other appropriate form produced in Customer Service Toolkit) is developed describing the conservation practices to be implemented, timing of implementation, practice location, and estimates of cost-share or incentive payments [CPM-515.90(a)] and agrees with the conservation plan map.				
2. Plan of operations conforms to NRCS conservation planning and technical policy [CPM-515.90(b)].				
3. Comprehensive Nutrient Management Plan (CNMP) developed and implementation planned for planned waste storage or treatment facility [CPM-515.90(c)], if applicable (enter N/A if not applicable).				
4. Land on which irrigation practices, structural or management, are planned has been irrigated 2 out of the last 5 years [CPM-515.91(b)] (enter N/A if not applicable).				
5. Planned practices are not scheduled for application and duplicate payment under CRP, WRP, EQIP, or any other USDA Program [CPM-515.91(b)].				
6. Planned practices are from a practice list approved by the State Conservationist [CPM-515.91(a)].				
7. Conservation plan map includes field number(s), acres, land use & planned/existing practices [CPM-515.90(a)].				
8. Soil map(s) and appropriate interpretative legends included.				
9. Conservation District has reviewed EQIP plan of operations [CPM-515.23(c)].				
10. EQIP Plan of Operations is signed by all participants [CPM-515.111(d)].				
C. CONTRACT (CCC-1200 & Appendix to CCC-1200)				
1. Conservation Program Application/Contract (CCC-1200) signed by participant(s) (CCC-1200, use form dated 05/22/03 , block 10) and District Conservationist (CCC-1200, block 11, CCC Representative) [CPM-517.40(c)]. Participants acknowledge review of Appendix to CCC-1200 by initialing original signature.				
2. Limited Resource or Beginning Farmer/Rancher certification documented (CCC-1200, block 7a) by participant (enter N/A if not applicable).				
3. Planned financial assistance, cost-share and incentive payments, do not exceed maximum allowable (\$450,000 per contract) [CPM-515.111(a)].				
4. At least one financially assisted practice is scheduled for completion within the first 12 months of signing the contract [CPM-515.111(a)].				
5. No practices are scheduled in the 10 th year of the contract [CPM-515.111(a)] (enter N/A if not applicable).				
6. No non cost-shared contract items are included in contract.				
7. Period of contract is within the applicable time limitation (not < 12 months after certification of last practice.; not > 10 yrs.) [CPM-515.111(a)].				
8. Regional Conservationist has approved contract if contract obligation in excess of \$100,000 [CPM-515.111(c)] (enter N/A if not applicable).				
9. Practices, identifiable components, cost-share rate, and average cost are in accordance with the current approved list of practices in the FOTG [CPM-515.91(a)] and in consideration of Limited Resource and Beginning Farmer or Rancher rates, if applicable (see item C.2.).				
10. Contract assembled in six-part folder according to GM 120, Part 404 [CPM-515.111(a)].				
11. Producer has obtained a CCC-526 (Payment Eligibility Average Adjusted Gross Income Certification) from FSA.				
DC Initials:	Date Reviewed:	Other Reviewer Initials:	Date Reviewed:	

CCC-1200 (05/22/03)	U.S. DEPARTMENT OF AGRICULTURE COMMODITY CREDIT CORPORATION			1. State & County Code 2. a. Farm Number b. Tract Number(s) 3. Contract Number 4. Fund Code 5. HUA Number 6. Total Treated Acres
CONSERVATION PROGRAM APPLICATION/CONTRACT				
THIS is an APPLICATION to participate in the:				
7. PROGRAM (Check One)	a. Agricultural Management Assistance Program (AMA)		b. Conservation Security Program (CSP)	c. Environmental Quality Incentives Program (EQIP) X
On the farm identified above the Applicant agrees to participate in the identified program if the offer is accepted by Commodity Credit Corporation (CCC). The undersigned person shall hereafter be referred to as "the Applicant." The Applicant understands that starting a practice prior to CCC approval causes the practice to be ineligible for program financial assistance and the applicant will obtain the landowners signature on the contract to install structural practices. BY SIGNING THIS APPLICATION, THE APPLICANT ACKNOWLEDGES, RECEIPT OF THE FOLLOWING FORMS: CCC-1200, THE CCC-1200 APPENDIX AND ANY ADDENDA THERETO.				
SIGNATURE OF APPLICANT			DATE	
7a. Limited Resource Producer and Beginning Farmer Certification				
I _____ certify that I am a: <input type="checkbox"/> LIMITED RESOURCE PRODUCER(EQIP); <input type="checkbox"/> BEGINNING FARMER/RANCHER (EQIP, CSP), as per the following guidelines:				
Limited Resource Producer: A Limited Resource Farmer/Producer has the following characteristics: (a) A person with direct or indirect gross farm sales not more than \$100,000 in each of the previous two years (to be increased starting in FY 2004 to adjust for inflation using Prices Paid By Farmers Index as compiled by NASS), and (b) Has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income (to be determined annually using Commerce Department Data), in each of the previous two years. An entity or joint operation can be a Limited Resource Producer if all individual members qualify as a Limited Resource Producer.			Beginning Farmer/Rancher: (a) Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of an entity, and (b) Will materially and substantially participate in the operation of the farm or ranch. (i) In the case of a contract with an individual, individually or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or State where the farm is located. (ii) In the case of a contract made with an entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that the members provide some amount of the management, or labor and management necessary for day-to-day activities, such that if the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.	
NOTE: All applicants that certify eligibility as a Limited Resource Producer or Beginner Farmer/ Rancher will provide all records necessary to justify their claim as requested by a CCC representative.				
Signature			Date	

8. Contract Language

THIS CONTRACT is entered into between the Commodity Credit Corporation (referred to as "CCC") and the undersigned owners, operators, or tenants (referred to as "Owner, "Operator", & "Tenant"; respectively) on the farm identified above. The undersigned person or persons shall hereafter be referred to as "the Participant". The Participant agrees to participate in the program designated in Section 7 from the date the Contract is executed by CCC to the contract expiration date in Section 9. The Participant also agrees to implement the plan of operations developed and approved by the Participant and CCC. Additionally, the Participant and CCC agree to comply with the terms and conditions contained in this Contract, including the appendix to this Contract, entitled "Appendix to Form CCC-1200" for the applicable program (referred to as "Appendix"), and any other addenda thereto. The Participant also agrees to pay such applicable liquidated damages in an amount specified in the Appendix for the applicable program if the Participant cancels the agreement before termination or the CCC terminates the contract.

Continued on next page

CCC-1200 (05/22/03)	U.S. DEPARTMENT OF AGRICULTURE COMMODITY CREDIT CORPORATION	1. State & County Code 2. a. Farm Number b. Tract Number(s) 3. Contract Number 4. Fund Code 5. HUA Number 6. Total Treated Acres
	CONSERVATION PROGRAM APPLICATION/CONTRACT	

2. FARM & TRACT NUMBER(S), (continued):	
FARM NUMBERS:	
TRACT NUMBERS:	

9b. AGREEMENT PERIOD (Contract expires one year after the last practice is installed, not to exceed ten years.)

Contract Start Date: _____ Contract Expiration Date: _____

9c. CONTRACT OBLIGATIONS												
	TOTAL	20__	20__	20__	20__	20__	20__	20__	20__	20__	20__	20__
Total Obligations by Fiscal Year (FA):												\$0.00
Total Obligations by Fiscal Year (TA):												\$0.00
Total Contract Obligations:												\$0.00

NRCS APPROVAL:	DATE
----------------	------

10. CONTRACT PARTICIPANTS					
NAME, ADDRESS, and PHONE NUMEBR	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMEBR	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMEBR	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:

11. CCC USE ONLY - Payments according to the shares approved.	SIGNATURE OF CCC REPRESENTATIVE DATE:
---	---------------------------------------

1/ Joint operation ID, if applicable.

Continued on next page

CCC-1200 (05/22/03)	U.S. DEPARTMENT OF AGRICULTURE COMMODITY CREDIT CORPORATION	1. State & County Code 2. a. Farm Number b. Tract Number(s) 3. Contract Number 4. Fund Code 5. HUA Number 6. Total Treated Acres	
	CONSERVATION PROGRAM APPLICATION/CONTRACT		

CONTRACT MODIFICATIONS (+/-)

AMOUNT	CCC* INITIAL	DATE
A.		
B.		
C.		
D.		
E.		
F.		
G.		
H.		
I.		
J.		
K.		
L.		

AMOUNT	CCC* INITIAL	DATE
M.		
O.		
P.		
Q.		
R.		
S.		
T.		
U.		
V.		
W.		
X.		
Y.		

PRIVACY ACT AND PUBLIC BURDEN STATEMENT

NOTE: The following statement is made in accordance with the Privacy Act of 1974, (5 U.S.C. 552a). The authority for requesting the following information is 7 CFR 1466 (EQIP), 7 CFR 1469 (FPP), 7 CFR 636 (WHIP), and Public Law 106-224, Section 133(b), AMA, and Section 211(b), SWCA. The information will be used to allow a farmer, rancher, or landowner to apply for conservation benefits under the terms and conditions of the contract. Furnishing the required information is necessary to determine properly the eligible land for the applicable program benefits. Failure to furnish the requested information will result in the applicant being unable to apply for or receive benefits under the applicable programs. This information may be provided to other agencies, IRS, Department of Justice, or other State or Federal Law Enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 U.S.C. 286, 287, 371, 641, 651, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729 may also be applicable to the information provided.

USDA NONDISCRIMINATION STATEMENT

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer."

Continued on next page

CCC-1200 (05/22/03)	U.S. DEPARTMENT OF AGRICULTURE COMMODITY CREDIT CORPORATION	1. State & County Code 2. a. Farm Number	
-------------------------------	--	---	--

CONSERVATION PROGRAM APPLICATION/CONTRACT	b. Tract Number(s)	
	3. Contract Number	
	4. Fund Code	
	5. HUA Number	
	6. Total Treated Acres	

10. CONTRACT PARTICIPANTS, (continued)

NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:

1/ Joint Operation ID, if applicable.

U. S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

APPENDIX TO FORM CCC-1200
ENVIRONMENTAL QUALITY INCENTIVES PROGRAM CONTRACT

1 ELIGIBILITY REQUIREMENTS FOR ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)

- A** By signing the EQIP contract, the participant certifies that such participant will control the land subject to the contract for the contract period and shall, upon demand, provide evidence to CCC demonstrating that such participant will control the land for that period.
- B** A participant shall not be eligible for cost-share or incentive payments on practices on eligible land if the participant receives or has received cost-share payments or other benefits for the same practice on the land under the Conservation Reserve Program (7 CFR Parts 704 or 1410), Wetlands Reserve Program (7 CFR Parts 703, 620, or 1467) or Environmental Quality Incentives Program (7 CFR 1466).
- C** Land otherwise eligible for the EQIP shall not be eligible if the land is subject to a deed or other restriction prohibiting the application of the conservation plan and associated practices or where a benefit has or will be obtained from a Federal agency in return for the participant's agreement not to implement the conservation plan and associated practices on the land during the same time as the land would be enrolled in the EQIP. By applying for the EQIP contract, the participant certifies as a condition for payment that no such restrictions apply to such land.

2 SELECTING OFFERS FROM PRODUCERS

- A** All applications will be evaluated using a selection process developed locally by the State Conservationist or Designated Conservationist, with advice from the State Technical Committee or Local Work Group.

3 AGREEMENT

- A** The participant agrees:
 - (1) That the CCC-1200 (EQIP contract) and its addenda shall be considered a request to enter into the Environmental Quality Incentives Program on the terms specified on CCC-1200 and its addenda;

- (2) To place eligible land into the EQIP for a period of time as specified on the CCC-1200 (not less than one year after the last practice is installed and not to exceed 10 years), from the date the contract is executed by CCC;
- (3) Not to start any financially assisted practice before the contract is executed by CCC. The participant may be granted a waiver to this requirement by the NRCS State Conservationist or designee;
- (4) To apply or commence a financially assisted practice within the first 12 months from the date of the contract executed by NRCS. The participant may request a waiver to this requirement from the NRCS State Conservationist.
- (5) To establish conservation practices specified in this contract as scheduled and to operate and maintain them for the practice service life identified and to comply with the terms and conditions of the EQIP contract and all Federal, State, Tribal and local laws that apply to the plan content;;
- (6) Not to undertake any action on land under the participant's control which tends to defeat the purposes of this contract, as determined by CCC;
- (7) To discontinue work in the general area of the site and notify NRCS immediately if during the construction of any practice a previously unidentified archeological or historical site is encountered;
- (8) To provide receipts, as necessary, as proof of payments and to maintain proof of payment documentation, if applicable, for 3 years after the end of the fiscal year in which the practice was completed and to present this documentation to CCC within 30 days if selected for administrative compliance check; and
- (9) To allow access onto land under contract to a CCC representative for monitoring progress of the contract; and
- (10) For contracts that include a waste storage or treatment facility, to develop and implement all practices identified in a comprehensive nutrient management plan, or
- (11) For contracts funded under section 1240I, Surface and Ground Water Conservation, to implement a program of conservation measures that will result in a net savings, as defined by the State Conservationist, of ground and surface water resources in the agricultural operation of the producer.

B CCC agrees, subject to the availability of funds, to:

- (1) Share the cost with participants of establishing an eligible practice, or an identified unit thereof, agreed to in the contract;

- (2) Pay to the participant an interest penalty on cost-share and incentive payments not made by the date, as determined by CCC, the payment is due.

4 ENVIRONMENTAL QUALITY INCENTIVE PLAN OF OPERATIONS

- A** By signing the EQIP contract, the participant agrees to implement the practices specified in said contract on the land specified.

5 PAYMENTS

- A** Subject to the availability of funds, cost-share and incentive payments and reimbursement for technical assistance, as approved by CCC, shall be made available upon a determination by CCC that an eligible practice, or an identifiable unit thereof, has been established in compliance with the EQIP plan of operations and with appropriate standards and specifications. In order to receive payments, as approved by CCC, the participant, upon certification of the completed practice, must file form CCC-1245 along with receipts, as necessary, with CCC.
- B** CCC will make cost-share and incentive payments, as approved by CCC, available to the participant at the rate specified in the EQIP contract.
- C** All payments received as part of an EQIP contract are reported to the US Internal Revenue Service on form 1099-G. For information related to tax liabilities consult with a tax accountant or refer to IRS publication 225, Farmers Tax Guide.
- D** In order to be reimbursed for technical services approved under this agreement and performed by a certified Technical Service Provider ("TSP") hired by the participant, a participant must execute a request for payment in the form of an Application for Payment form, AD-1161. The participant must also submit to NRCS an invoice from the TSP for the work performed as well as any documentation NRCS may require in order to ensure that the technical services were carried out in accordance with NRCS requirements and specifications. If NRCS authorizes payment for a practice certified by non-USDA personnel, the TSP must indemnify and hold NRCS and the program participant harmless for any costs, damages, claims, liabilities and judgments arising from past, present and future negligent acts or omissions of the technical service provider in connection with the technical service provided.

6 PROVISIONS RELATING TO TENANTS AND LANDLORDS

Notwithstanding Paragraph 13, no payment will be approved for the current year if CCC determines that any of the following conditions exist:

- A** The landlord or operator has not given the tenants that have an interest in the unit of concern covered by the conservation plan, or that have a lease that runs through the CCC-1200 period at the time of sign up, an opportunity to participate in the benefits of the program;
- B** The landlord or operator has adopted any other scheme or device for the purpose of depriving any tenant of any benefits to which such tenant would otherwise be entitled. If any such

conditions occur or are discovered after payments have been made, all or any part of the payments, as determined by CCC, must be refunded with interest and no further payments shall be made.

7 ERRONEOUS REPRESENTATION AND SCHEME AND DEVICE

- A** A participant who is determined to have erroneously represented any fact affecting a determination with respect to this contract and the regulations applicable to this contract, adopted any scheme or device which tends to defeat the purposes of this contract, or made any fraudulent representation with respect to this contract, will not be entitled to payments or any other benefits made in accordance with this contract and the participant must refund to CCC all payments received by such participant, plus interest and liquidated damages thereon, with respect to the contract.
- B** Refunds determined to be due and owed to CCC in accordance with this contract will bear interest at the rate which CCC is required to pay for its borrowing from the United States Treasury on the date of the disbursement by CCC of the moneys to be refunded. Interest will accrue from the date of such disbursement by CCC.
- C** The provisions of paragraph 7A of this Appendix shall be applicable in addition to any liability under criminal and civil fraud statutes, including 18 U.S.C. 268, 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729, or any other liability to which the participant may be subject.

8 NOTIFICATION OF CHANGES TO TERMS AND CONDITIONS OF THE CONTRACT

CCC agrees that if any changes of any terms and conditions of this contract, including changes necessary to reconcile the technical practices listed on the CCC-1200 to those specified in the conservation plan, become necessary prior to the date that this contract is approved on behalf of CCC, CCC will notify the persons signing the CCC-1200 of such change and such person will be given 10 days from the date of notification in which to agree to the revised terms and conditions or to withdraw from the contract request. The participant agrees to notify the CCC of an intention to withdraw from the contract request within 10 days from the date of the issuance of such notice and further agrees that failure to notify the CCC will constitute agreement to the revised terms and conditions.

9 LIQUIDATED DAMAGES

It is mutually agreed that in the event the approved EQIP contract is breached by the participant or terminated by USDA, the CCC will suffer substantial damages which may not be possible to quantify with certainty. Therefore, in addition to the refund of payments received plus interest due, for breach or termination of contract prescribed in this contract, the participant agrees to pay an amount equal to 25 percent of the sum of technical and financial assistance payments disbursed for practices specified on form CCC-1245 that have been performed subject to the contract, or if the contract is terminated without just cause and no payments have been made ten percent of the total financial and technical assistance contract amount. This payment is as liquidated damages and not as a penalty.

10 CORRECTIONS

CCC reserves the right to correct all errors in entering data or the results of computations in the contract.

11 TERMINATION OF CONTRACT

If a participant fails to carry out the terms and conditions of this contract, CCC can terminate this contract or determine that such failure does not warrant termination. In either case, CCC may require the participant(s) to refund, with interest, payments received under this contract, or require the participant(s) to accept such adjustments in the subsequent payments as are determined to be appropriate by CCC.

The CCC may, without incurring liability for breach of the contract, terminate the EQIP contract, in whole or in part, if CCC determines that continued operation of the contract will result in the violation of a Federal statute or regulation, or if CCC determines that termination would be in the public interest. The EQIP contract shall be carried out in accordance with all Federal statutes and regulations, included but not limited to the National Environmental Policy Act, the Endangered Species Act, National Historic Preservation Act, Title VI and VII of the Civil Rights Act of 1964, as amended, the Civil Rights Restoration Act of 1987, other nondiscrimination statutes, and the regulations of the Secretary of Agriculture found at 7 CFR Part 15, Subparts A & B.

12 CONTRACT MODIFICATIONS

CCC may modify this contract when:

A

- (1) The installed practice would cause adverse impacts to significant cultural and environmental resources identified in the conservation plan, or those discovered as a result of installation;
- (2) The installed measure has deteriorated because of conditions beyond the control of the participants; or
- (3) Another practice will achieve at least the same level of environmental benefits.

B Both the participant and the appropriate approving authority (Regional Conservationist, State Conservationist or Designated Conservationist) agree to this modification.

12 EFFECTIVE DATE AND CHANGES TO CONTRACT

The EQIP contract is effective when signed by the participants and an authorized representative of CCC. Except as otherwise determined by CCC, the contract may not be revoked or revised unless by mutual agreement between the parties. Within the dates established by CCC, the contract must be signed by all required participants.

In the event that a statute is enacted during the period of this contract which would materially change the terms and conditions of this contract, the CCC may require the participants to elect between acceptance of modifications in this contract consistent with the provisions of such statute or termination of this contract.

13 REGULATIONS TO PREVAIL

- A** The regulations in 7 CFR Part 1466 for the EQIP are incorporated herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail.

- B** The EQIP contract shall be carried out in accordance with all Federal statutes and regulations, included but not limited to the National Environmental Policy Act, the Endangered Species Act, National Historic Preservation Act, Title VI and VII of the Civil Rights Act of 1964, as amended, the Civil Rights Restoration Act of 1987, other nondiscrimination statutes, and the regulations of the Secretary of Agriculture found at 7 CFR Part 15, Subparts A & B. The CCC may, without incurring liability for breach of the contract, terminate the EQIP contract, in whole or in part, if CCC determines that continued operation of the contract will result in the violation of a Federal statute or regulation, or if CCC determines that termination would be in the public interest.

- C** By signing the EQIP contract, the participant certifies that he/she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while conducting any activity associated with the EQIP contract. This certification is a material representation of fact upon which reliance was placed when CCC determined to award this EQIP contract. If it is later determined that the participant knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.; 7 CFR part 3017, Subpart F, Section 3017.600) CCC, in addition to any other remedies available to the United States, may take action authorized under the Drug-Free Workplace Act.

The following owners, operators, and producers by entering their signature acknowledge receipt of this Appendix to CCC-1200 and agree to the terms and conditions thereof. Further if the undersigned are succeeding to an existing EQIP contract, the undersigned agree and certify that no agreement exists or will be entered into between the undersigned, the previous owner and operator of the property, or mortgage holder that would, maintain or create an interest in the property in any previous participant on the EQIP contract for that property, or to receive payments under the contracts.

_____ Date _____

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Jamie Whitten Building, 14th and Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

