

TO: Regional and State Conservationists
FROM: Tom Christensen, Acting Director, COD
SUBJECT: FY 2004 FSA and NRCS EQIP Responsibilities
DATE: April 9, 2004

This message transmits an electronic version of the joint FSA/NRCS memorandum signed on April 8, 2004 and titled "EQIP - FSA and NRCS Responsibilities for FY2004."

Joint conference calls are planned for FSA and NRCS State Offices during the week of April 12. Details will be provided soon to by email. Tentatively, these conference calls are scheduled for April 14th at 8 am, 11 am and 3 pm eastern time, with a makeup call on April 15th at 11 am eastern time.

Highlights of the FY2004 Memorandum

Major differences from the FY2003 joint memorandum, dated February 26, 2003, include:

1. State Executive Director and State Conservationist will mutually agree on a date by which the amounts of funds by practice to be obligated to contracts are final for the ranking period. NRCS allocation distribution instructions shall be based on these final amounts and administrative, not physical, location (county).
2. Bankruptcy provisions may impact EQIP contracts. FSA will contact OGC and ensure required documents are processed. FSA and NRCS should promptly share information about an EQIP applicant or participant who has filed for bankruptcy. State FSA office will provide OGC's advice to NRCS in writing.
3. Clarifies that COC determination of producer eligibility includes determining applicant is an agricultural producer and, to be eligible for EQIP, an applicant who certifies as a beginning farmer must also be determined an agricultural producer.
4. County FSA Office and Local NRCS Office sections have been subdivided by major function. Order of some bullets was rearranged accordingly.
5. For each application, FSA shall notify NRCS of producer eligibility determination and available obligation payment limitation. Applications Received Report (EEB710-R001) is being revised to reflect this information.
6. References to "contract support document" have been revised to "conservation plan of operations." When provided to FSA to record in system, conservation plan of operations should include final cost amounts.
7. Adds timeframes for local NRCS office to provide CCC-1200 application to county FSA office and for county FSA office to record information from conservation plan of operations and return FSA system-generated CCC-1200 to local NRCS office.

8. Clarifies FSA will accept only FSA system-generated CCC-1200 contracts containing producer and NRCS signatures to record obligations. ProTracts-generated CCC-1200 cannot be accepted for contract approval.
9. Adds provision that FSA will accept either FSA system-generated CCC-1245 or NRCS ProTracts-generated CCC-1245 to authorize disbursement of payment. Approved ProTracts CCC-1245 must always be stapled to corresponding FSA CCC-1245 which contains control number.
10. Clarification regarding processing CCC-1245's when amount of cost-share/incentive earned differs from amount approved.
11. Adds provision according to Notice CONSV-92 about creating supplemental contracts.
12. Clarifies that administrative county, not physical location county, shall be recorded on CCC-1200 application, Block 1.
13. Clarifies that although caption on CCC-1245, Block 25 provides "Payment Approved (Initials)," NRCS signature is required to authorize payment.
14. Requires NRCS to review with participant any contract within 12 months of expiration and to notify participant at least 90 days before contract expiration of practices remaining to be completed.
15. Clarifies that NRCS will spot check limited resource and beginning farmer certifications.

cc: Jose Acevedo, Deputy Chief for Programs