

Part 530 – Working Lands Conservation Programs Manual

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Part 530 – Working Lands Conservation Programs Manual

Subpart A – General Information

530.0 General

A. Purpose and Use of This Manual

- (1) This manual contains NRCS policy and administrative procedures to implement conservation on working lands through programs authorized under the Food Security Act of 1985, as amended by the Agriculture Improvement Act of 2018 (2018 Farm Bill), section 524(b) of the Federal Crop Insurance Act (7 U.S.C. § 1524(b)), or as otherwise authorized. If guidance in this manual conflict with statute or regulation, follow the statute or regulation.
- (2) Subparts A through O include policy for program contracts under the following programs unless otherwise stated:
 - (i) Agricultural Management Assistance (AMA)
 - (ii) Conservation Stewardship Program (CSP)
 - (iii) Environmental Quality Incentives Program (EQIP)
 - (iv) Regional Conservation Partnership Program (RCPP)
 - (v) Wildlife Habitat Incentives Program (WHIP)
 - (vi) Agricultural Conservation Easement Program (ACEP) conservation program contracts with landowners (restoration, enhancement, repair, etc.); applicable sections include A, E, F, G, H, I, and O

Note: Initiatives implemented under the authority of the programs listed above must follow the policy in this manual.

- (3) Subparts P through S include program-specific policy for AMA, CSP, EQIP, and RCPP. Title 440 Conservation Programs Manual, Part 528 “Agricultural Conservation Easement Program (ACEP)” (440 CPM Part 528), includes program-specific policy for ACEP.

Note: Subparts Q and R apply to covered program contracts associated with a 2014 Farm Bill RCPP agreement.

Note: Subpart S applies to land management and rental producer contracts under a 2018 Farm Bill RCPP agreement.

- (4) This manual is effective for—
 - (i) New enrollments during fiscal year 2020 and forward until superseded.
 - (ii) Contract administration for the programs listed above in accordance with the regulations in effect on the date of obligation unless otherwise noted in this manual. See subpart K for guidance on the appropriate use of legacy manuals when part 530 is not applicable.
- (5) Employee Knowledge.—NRCS personnel assigned program responsibility must have working knowledge of this manual and all applicable regulations.

B. State Supplements to this Manual

State supplements to this manual must be submitted to the deputy chief for Programs for review and approval. State supplements must not conflict with or be less restrictive than national policy and statutory or regulatory program provisions.

530.1 Definitions

- A. See Title 440 Conservation Programs Manual, Part 502 “Terms and Abbreviations Common to All Programs” (440 CPM Part 502), for the definition of terms related to conservation program contracts.
- B. See 440 CPM § 530.143G, “Crosswalk of Terminology,” for a list of redefined terms.

530.2 Responsibilities

A. The NRCS Chief has overall leadership for conservation programs that deliver financial and technical assistance to eligible producers. NRCS is responsible for establishing policies, guidelines, and priorities for financial and technical assistance. As identified in this section, the NRCS Chief delegates responsibilities related to the programs identified in section 530.0A(2) to national headquarters (NHQ), state office, and field office staffs.

B. NHQ

- (1) The Chief and associate chief provide national leadership for—
 - (i) Making program policy and regulatory decisions.
 - (ii) Implementing the policies and procedures in this manual.
 - (iii) Modifying or waiving non-statutory, discretionary provisions if the Chief determines that applying the provision to a particular situation is inconsistent with the purposes of the program.
 - (iv) Making fund allocation and reallocation decisions.
- (2) The regional conservationists provide national leadership for—
 - (i) Implementing the policies and procedures in this manual.
 - (ii) Overseeing the state conservationist’s implementation of the programs at the state level.
 - (iii) Managing allocations and state spending limits.
 - (iv) Other responsibilities delegated by the Chief.
- (3) The deputy chief for Programs provides national leadership for—
 - (i) Developing and implementing policy and procedures for all programs covered by this manual.
 - (ii) Coordinating landscape-scale special initiatives.
 - (iii) Overseeing rulemaking and policy guidance development.
 - (iv) Making fund allocation and reallocation recommendations.
 - (v) Waiving discretionary program policy and procedures.
 - (vi) Supporting the development of business tools to facilitate program delivery.
 - (vii) Other responsibilities delegated by the Chief.
- (4) The deputy chiefs for Science and Technology and Soil Science and Resource Assessment provide national leadership for—
 - (i) Developing technical criteria for conservation practices, enhancements, and other activities to support implementation of the programs.
 - (ii) Supporting program implementation as explained in this manual.

- (iii) Providing technical training.
- (iv) Other responsibilities delegated by the Chief.
- (5) The deputy chief for Management and Strategy provides national leadership for—
 - (i) Managing the payment schedule development process.
 - (ii) Managing and tracking audit-related activities.
 - (iii) Reviewing policy.
- (6) The Financial Assistance Programs Division (FAPD) director provides national leadership for—
 - (i) Assisting the deputy chief for Programs with program implementation through management and operational activities.
 - (ii) Maintaining a working relationship with national Farm Service Agency (FSA) program leaders, other NRCS division directors, NRCS national technical support centers, and partnering agencies.
 - (iii) Providing program training.
 - (iv) Providing overall program evaluation and assessment, including program accountability.
 - (v) Supporting the development and maintenance of business tools for program delivery.
 - (vi) Other responsibilities as assigned by the deputy chief for Programs.

C. State Office

- (1) The state conservationist provides state program leadership for—
 - (i) Managing and implementing the programs as explained in this manual at the state level.
 - (ii) Maintaining program and fund integrity and accountability.
 - (iii) Delegating authority and assigning business tool roles for implementing programs, processing applications, and managing contracts, including contract approval, obligation, payment approval, modification, and quality assurance, to the appropriate staff.
 - (iv) Ensuring a second-level review occurs before all obligations and payments according to section 530.3, “Delegation of Authority,” in this subpart and subpart E, “Contract Development and Requirements,” and subpart F, “Payments,” of this manual.
 - (v) Establishing state program management policies and procedures, as applicable.
 - (vi) Participating in the appeal process, as appropriate.
 - (vii) Establishing state policies, priority resource concerns, and other priorities using recommendations of state technical committees and tribal conservation advisory councils according to Title 440 Conservation Programs Manual, Part 501 “USDA Conservation Program Delivery” (440 CPM Part 501). The tribal conservation advisory council will have on tribal lands the same responsibilities as the state technical committee as outlined in 440 CPM Part 501.
 - (viii) Establishing the locally led process and ensuring that conservation needs are assessed according to Title 440 Conservation Programs Manual, Part 500 “Locally Led Conservation” (440 CPM Part 500), and that local working group recommendations are considered by the state technical committee and tribal conservation advisory council.

- (ix) Granting waivers, as authorized, within regulatory and program policy (see section 530.7, “Policy Waivers”).
 - (x) Reviewing and concurring with waivers that require national-level approval before submitting to NHQ.
 - (xi) Developing applicable state supplements to conservation practices or activities.
 - (xii) Entering into agreements with Federal or state agencies, Indian tribes, conservation districts, units of local government, public or private organizations, and other individuals that may help with program implementation.
 - (xiii) Delegating authority to qualified personnel to certify implementation of conservation practices and activities in accordance with Title 450 General Manual, Part 407, “Documentation Certification and Spot Checking” (450 GM Part 407).
 - (xiv) Other responsibilities as indicated by policy and assigned by the Chief, including section 1619 of the Food, Conservation, and Energy Act of 2008 (FCEA) to identify information that the Government may or must withhold from disclosure.
- (2) The assistant state conservationist for programs is responsible for—
- (i) Managing and implementing programs described in this manual as delegated by the state conservationist.
 - (ii) Overseeing and evaluating state program implementation.
 - (iii) Elevating requests for assistance to NHQ when an issue cannot be resolved at the state level.
 - (iv) Providing support and serving as a point of contact for business tools at the state level.
 - (v) Developing and providing program training.

D. Field Office

Designated conservationists will provide local program leadership for activities in their areas of authority as delegated by the state conservationist, including—

- (i) Managing and implementing program activities explained in this manual as delegated by the state conservationist.
- (ii) Participating in appeal processes, as appropriate.
- (iii) Conducting quality assurance activities.
- (iv) Serving as a member of the local working group, as outlined in 440 CPM Part 501.
- (v) Fulfilling the responsibilities of the conservation district, as outlined in 440 CPM Part 501, where a conservation district is not present or chooses not to fulfill those responsibilities.
- (vi) Providing recommendations to the state conservationist, considering the advice of the local working group on program delivery as outlined in 440 CPM Part 501.
- (vii) Maintaining an effective working relationship with the servicing FSA county office.
- (viii) Preparing information for requested programmatic waivers or other requests for assistance.
- (ix) Maintaining case files in accordance with subpart E, “Contract Development and Requirements,” of this manual; Title 180 National Planning Procedures Handbook, Part 600; and state procedures.

- (x) Certifying and approving payments to participants when conservation practices or activities are completed and meet NRCS standards and specifications in accordance with 450 GM Part 407.
- (xi) Other responsibilities as indicated by policy and delegated by the state conservationist.

E. Responsibilities of Other Agencies and Indian Tribes

- (1) FSA.—FSA collects information from program applicants and participants to determine eligibility for statutory and regulatory provisions common to both agencies and to establish and maintain farm records, including—
 - (i) Highly erodible land conservation (HELC) and wetland conservation (WC).
 - (ii) Basic payment eligibility and payment limitation determinations, including adjusted gross income and farm operating plan.
- (2) Other Federal, state, and local agencies, Indian tribes, and tribal conservation advisory councils (including local and tribal conservation districts and associations) may have the following opportunities:
 - (i) Serving as a member of the state technical committee, local working group, or both.
 - (ii) Identifying local conservation needs, resource concerns, and priorities and making recommendations on program administration and implementation.
 - (iii) Providing recommendations to NRCS for developing program guidelines.
 - (iv) Providing leadership for the conservation of soil, water, and other natural resources within the conservation district or tribal boundaries.
 - (v) Assisting NRCS with information and outreach activities.
 - (vi) Providing technical assistance where appropriate.
 - (vii) Entering into agreements with NRCS, where appropriate, to help implement programs.
 - (viii) Developing the conservation needs assessment and conservation action plan according to 440 CPM Part 500.
 - (ix) Where a conservation district is not present or chooses not to fulfill the responsibilities outlined in 440 CPM Part 501, the NRCS-designated conservationist will have these responsibilities.

530.3 Delegation of Authority

A. NRCS officials may further delegate their responsibilities unless specifically prohibited by statute, regulation, this manual, or other agency directive. When an NRCS official delegates authority under this part, they retain their authority to perform the delegated responsibilities as necessary. Lowest levels to which certain responsibilities may be delegated are listed in section 530.143N “Delegation of Authority.”

B. When delegating responsibilities not listed in section 530.2, or when making changes to those delegations, each state conservationist must delegate in writing the responsibilities for developing, approving, and administering contracts; obligating funds; making payments; and assigning appropriate roles in the business tools. See section 530.143K “Business Tools Quick Reference,” for a list of applicable business tools.

- (1) State conservationists may record the appropriate delegations by using section 530.143N; letters; memos; state directives; Form AD-1143, “Corporate System Access Request Form;” or other written documentation.
- (2) State conservationists may delegate roles differently by program.

Note: When delegating responsibilities, the state conservationist must ensure a separation of duties for obligating funds and the second-level review of obligations in the applicable business tools. Employees who are authorized to obligate funds and approve payment applications must not perform the second-level review on contracts for which they have made these approvals.

Note: An employee who completes second-level reviews cannot be a state vendor coordinator; these roles are exclusionary.

C. The state delegations of authority must comply with individual program regulations and national policy, including Title 130 General Manual, Part 400, Subpart B “Delegations of Authority.”

- (1) See section 530.143N for responsibilities the state conservationist may delegate and the lowest allowed level of delegation.
- (2) The state conservationist cannot further delegate the following responsibilities:
 - (i) Approval of a control of land waiver for tribal land and other unique cases (see section 530.22D(2)(iii)).
 - (ii) Extension of Form NRCS-CPA-153, “Agreement Covering Non-Compliance with Provisions of Conservation Program Contract (CPC),” for one additional year (see section 530.82C(5)).

D. Only NRCS employees with delegated authority may sign (obligate) contracts or approve modifications. NRCS prohibits non-NRCS employees from performing these functions.

E. See subpart E “Contract Development and Requirements,” subpart F “Payments,” and subpart G “Modifications,” for additional guidance on delegation of authority and separation of duties.

530.4 Historically Underserved Individuals and Groups

A. Historically underserved individuals and groups include those who have not participated in, or who have received limited benefits from, USDA or NRCS programs. The 2008, 2014, and 2018 Farm Bills recognize producers who are socially disadvantaged, have limited financial resources, or who are beginning farmers or ranchers as eligible for special considerations for program participation. The 2014 and 2018 Farm Bills also included veterans meeting certain conditions in the historically underserved category. Special considerations may include increased payment rates, advance payments, evaluation under special ranking pools, and priority for funding as specified in the individual program regulations and policies.

B. See 440 CPM Part 502 for the specific definitions of each group categorized as historically underserved.

C. See subpart C “Application for Assistance,” for more information on historically underserved individuals and groups.

530.5 Information, Outreach, and Training

A. Information, outreach, and training activities ensure that NRCS customers and potential program participants are aware of, understand, and have access to conservation programs and services. These activities deliver facts, details, and news about the programs to a wide audience.

B. Procedures for program information and outreach must follow public information policy guidance in Title 260 General Manual, Part 400 “Public Information Policy,” and Title 230 General Manual, Part 406 “National Outreach Policy.”

C. Information and outreach include developing, producing, and delivering general news, knowledge, and facts about the programs. Information is delivered to a wide audience, while outreach targets a specific audience. NRCS must include the official USDA nondiscriminatory statement on all information and outreach provided to the public. The following provides guidance for information, outreach, and training:

- (1) NRCS should use all available media to provide basic program information including ranking period information, assessment and ranking criteria, eligible conservation practices or activities, payment rates, and program descriptions.
- (2) Outreach and special emphasis activities make targeted producers aware of program opportunities and increase program participation. Outreach activities completed at the Farm Production and Conservation (FPAC) Business Center and NRCS national, state, and local levels may include—
 - (i) Ensuring that diverse residents, landowners, and land operators in an area are represented in the locally led process to provide input for natural resource management.
 - (ii) Providing special accommodations to the extent possible, such as native language interpretation, sign language interpretation, or braille materials.
 - (iii) Posting information through appropriate media sources to reach the intended audience.
 - (iv) Directing mailings to producers with historically low participation rates in conservation programs, including—
 - Historically underserved producers.
 - Tribal members, Alaska Natives, and Pacific Islanders.
 - Producers with disabilities.
 - Organic and transitioning-to-organic producers.
 - Small-scale and urban producers.
 - Any other producers with historically low participation rates in conservation programs.
 - (v) Ensuring the size or type of operation or the production system (e.g., specialty crop, organic production, small-scale, and urban agriculture) does not limit participation.
- (3) Training includes developing, producing, and delivering technical information, knowledge, and facts to individual producers for identifying and understanding their natural resource and environmental conditions, and developing, implementing, and maintaining a conservation practice or system.

- (4) NRCS is committed to providing consultation, outreach, and services to Indian tribes and expanding outreach activities that will include
 - (i) Working with the Intertribal Agriculture Council to provide onsite outreach and training to American Indians and Alaska Native producers, farmers, land users, and their tribal governments.
 - (ii) Expanding consultation efforts to be more inclusive of USDA conservation programs and services to Indian tribes. Consultation will
 - Be open and candid so that all parties may evaluate for themselves the potential impact.
 - Be conducted among designated USDA officials and designated tribal officials.
 - Operate within a government-to-government relationship with federally recognized Indian tribes.
 - Consult, to the greatest extent practicable and permitted by law, with Indian tribal governments before taking actions that affect federally recognized Indian tribes.
 - Remove procedural impediments to working directly with tribal governments on activities that affect trust property or governmental rights of the tribes.
 - Work with other agencies to accomplish these goals.

530.6 Access to Data

A. Program contract data

- (1) To protect individual privacy rights, information about applicants and participants is generally not released to the public. The Freedom of Information Act (FOIA), the Privacy Act of 1974, section 1244 of the Food Security Act of 1985, and section 1619 of the Food, Conservation, and Energy Act of 2008 (FCEA) identify information that the Government must withhold from disclosure. See Title 120 General Manual, Part 408, Subpart C, “Freedom of Information Act and Privacy Act” (120 GM Part 408, Subpart C), for NRCS policy regarding FOIA and the Privacy Act. The following information about contract applicants must not be released:
 - (i) Names
 - (ii) Addresses
 - (iii) Telephone numbers
 - (iv) Social Security or tax identification numbers
 - (v) Amount of Federal funds requested
 - (vi) Bank account information
- (2) FCEA does not prohibit the sharing of information between USDA agencies. However, information may only be shared with Federal agencies outside USDA or other entities for specific purposes under a cooperative agreement or program in accordance with a confidentiality agreement, not for general regulatory or enforcement purposes.
- (3) Contract Applicant Information

Aggregate or statistical information about contract applications may be described in news releases, websites, and other tools used to inform the public.

(4) Contract Participant Information

When a contract applicant becomes a participant (the applicant and NRCS approving official having signed the contract), additional information may be available for release through a properly submitted FOIA request, including:

- Name
- Limited address (State, city, county)
- Contract obligation amount

Note: Additional restrictions about the release of address information apply to some corporate and nonprofit business types. Consult 120 GM Part 408 or the state NRCS FOIA officer for more guidance.

(5) Contract Information

To ensure consistent and well-documented responses to requests for official NRCS program data, all requests for data that will be shared outside of NRCS must be directed to the FPAC Business Center, Economic Policy and Analysis Division.

B. Release and Receipt of Information to and from a Designated Third Party

- (1) Consistent with 120 GM § 408.47F(7), NRCS may disclose information to or receive information from a third party, including a technical service provider, when the landowner, producer, or program participant provides written authorization specifying the information to be disclosed or received (subject to NRCS discretion).
- (2) NRCS will make Form NRCS-CPA-1270, “Consent to Release or Receive Information for NRCS Program Participation,” available to landowners, producers, and program participants for this purpose. (See subpart O, section 530.144E, “Consent to Release or Receive Information for NRCS Program Participation.”)
- (3) In lieu of NRCS-CPA-1270, NRCS will also accept a written request from the landowner, producer, or program participant that includes all the following:
 - (i) Application or contract number, if known
 - (ii) Applicable program
 - (iii) Identification of specific third party to whom NRCS may release or from whom NRCS may receive information
 - (iv) Detailed description of the specific information NRCS may release to or receive from the identified third party, and how that information will be used
 - (v) Time period under which NRCS may release or receive information
 - (vi) Signature of the person authorizing release or receipt
 - (vii) Contact information for person authorizing release or receipt

Note: See subpart C, section 530.25B for guidance on proper submission of documents with signatures.

530.7 Policy Waivers

A. The deputy chief for Programs may waive conservation program policy or procedure unless prohibited by statute or regulation. This waiver authority is in addition to equitable relief and appeals provisions that may be authorized through the programs. In addition, the

deputy chief for Programs delegates waiver approval authority to the FAPD director and branch chiefs when the waiver request meets the following two criteria:

- (1) The request is contract or application specific
- (2) The request addresses an administrative issue

B. A policy waiver request may include multiple producers, applications, or contracts for the same set of facts and circumstances. States must identify the specific producers, applications, or contracts in the waiver request. NHQ will not approve broad or blanket policy waivers.

C. The state must provide justification for the waiver request and show that it does not defeat the purposes of the applicable program or any other conservation program administered by USDA. See the following sections of this manual for guidance on some specific waivers:

- (1) Subpart C, section 530.23B, “Early Start Waiver”
- (2) Subpart C, section 530.23C, “Adjusted Gross Income (AGI) Waivers”
- (3) Subpart I, section 530.85, “Recovery of Costs and Liquidated Damages”
- (4) Subpart R, section 530.402C(2), “Irrigation History Requirements”

Note: A memorandum for the record (MFR) may be used to correct a minor administrative error that does not conflict with policy in this manual. State conservationists may use an MFR for situations where NRCS did not follow procedural guidance or other administrative processes provided the rights and responsibilities of an applicant or participant are not affected by such administrative error. For example, NRCS failed to certify technical adequacy of the contract documents before obtaining participant signature, but the contract documents were technically adequate. The MFR must clearly document any corrective action taken and the basis for the decision. It must be signed by the NRCS approving official and recorded in the case file for future reference.

D. State conservationists must review and concur with all waiver requests submitted to NHQ. States are responsible for documenting this concurrence based on state policy.

E. In addition to providing a detailed justification and identifying the specific producer, application, and contract as outlined above, States must identify the policy for which the waiver is sought along with any pertinent supporting documentation when submitting a waiver request.

F. Once the approving official makes the final decision and signs the waiver response letter, states must keep the response letter in the applicable case file according to subpart E, “Contract Development and Requirements.” States will then notify participants of the waiver decision and, if appropriate, provide appeal rights for adverse decisions according to subpart I, section 530.88, “Equitable Relief, Appeals, and Mediation.”

Note: See National Instruction Title 440 Part 311, “Submitting and Processing State Requests using the Financial Assistance Programs Division (FAPD) SharePoint Site,” for instructions on submitting waivers.

530.8 Environmental Service Credits for Conservation Improvements

A. Program participants may achieve environmental benefits that qualify for an environmental credit trading program. NRCS asserts no direct or indirect interest in these credits and retains authority to ensure all program purposes are met. Participants who enroll

in both a program covered by this manual and an environmental credit trading program must ensure the requirements of the market program are compatible with the purposes and requirements of the program contract.

B. The participant must meet all operation and maintenance requirements for program-funded activities consistent with the specific program statute, regulation, and contract. Where activities required under an environmental credit agreement may affect the land and conservation activities under a program contract, NRCS recommends that the participant request assistance with the development of a compatibility assessment from the credit trading program before entering into any credit agreement. The program contract may be modified in accordance with policy in subpart G, “Modifications,” provided the modification meets the program purpose and complies with the program regulations.

530.9 Changes to Hard Copies of Documents

NRCS may make pen-and-ink changes to documents when necessary to address minor information gaps or errors provided that the changes do not affect the contract terms. When making pen-and-ink changes to documents, the following is required:

- (1) NRCS and the applicant or participant must initial and date the change.
- (2) NRCS must include a note in the case file indicating the reason for the change.

Part 530 – Working Lands Conservation Programs Manual

Subpart B – Managing Funds

530.10 General

A. This subpart provides policy related to funds management and state spending limits. NRCS must ensure funds delivered through conservation program contracts are properly managed and disbursed for the intended purpose. NRCS uses various business tools to create spending plans and associated ranking pools. See subpart O, section 530.143K, “Business Tools Quick Reference,” for a list of applicable business tools.

B. Each fiscal year, the Farm Bill and annual agricultural appropriations law authorize funds for NRCS, which the Office of Management and Budget (OMB) then apportions. The Farm Production and Conservation (FPAC) Business Center posts funds in the Financial Management Modernization Initiative (FMMI) system as an allotment and uses them for execution at the program level. NRCS national headquarters (NHQ) ensures consistency with funding authorities in the various business tools used by the agency.

- (1) FMMI is the official general ledger system NRCS uses for all obligations and disbursements.
- (2) The types of funds that may be authorized include:
 - (i) Annual.—Funds carrying a year-specific identifier can only be obligated in the fiscal year of their availability or, subsequent to that fiscal year, to cover cost-overruns of a contract of the same-year funding.
 - (ii) Multiple (Multi).—Funds must be obligated within the authorized period. OMB must reapportion any multiyear unobligated balances.
 - (iii) No-Year.—Funds remain available until expended for their original purpose. Each fiscal year, OMB must reapportion any unobligated fund balance.
- (3) After October 1, the start of the new fiscal year, NHQ provides states with an allocation letter specifying the authorized financial assistance and technical assistance (TA) funds for each program as soon as practicable.

530.11 Fund Spending Limits and Management

A. State Spending Limit Distribution and Management

- (1) NHQ determines state funding limits by program using a process that reflects national and locally led conservation priorities and uses available natural resource data.
- (2) NRCS targets funding according to program-specific requirements.
- (3) The state conservationist, with advice from the state technical committee and tribal conservation advisory council, as applicable, must develop a state spending plan to address program and national priorities, natural resource concerns, and priority geographic locations within state or tribal lands. See program-specific subparts for more guidance.

B. In distributing fiscal year funds in the business tools for obligation in conservation program contracts, state conservationists must—

- (1) Establish state-level procedure for managing the state spending plan based on state-designated ranking pools and any desired spending plan categories.
- (2) Develop, at a minimum, a spending plan for each program.
- (3) Distribute funds to all spending plans and spending plan categories.

Note: By establishing spending plan categories, states can subdivide funds within a larger spending plan without creating separate ranking pools for each category.

- (4) Establish protocols for distributing 900-series TA funds for participant-acquired technical service provider (TSP) contract items. These funds should be accounted for in the applicable business tool.

C. Funding Targets

- (1) States must establish spending plans in accordance with program-specific targets for beginning farmers and ranchers, socially disadvantaged farmers and ranchers, and other groups as identified in subpart Q, “Conservation Stewardship Program,” and subpart R, “Environmental Quality Incentives Program.” However, states are not required to establish categories specific to land use or operation type within these spending plans.
- (2) Section 1244(n) of the Food Security Act of 1985, as amended by the Agriculture Improvement Act of 2018, requires that not less than 10 percent of funds made available across all programs authorized by Title XII of the Food Security Act of 1985, except the Conservation Reserve Program, be used to encourage practices that relate to water quality or water quantity that protect source waters for drinking water (including protecting against public health threats) while also benefitting agricultural producers.
 - (i) NHQ tracks this data to ensure compliance.
 - (ii) State conservationists must—
 - Work collaboratively with community water systems and state technical committees to identify local priority areas for protection of source waters for drinking water; and
 - Subject to national guidance, offer to producers higher payment rates, not to exceed 90 percent, of practice costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training for practices that further the protection of source waters for drinking water.

D. All organizational levels are responsible for managing funds and fund integrity.

- (1) FPAC Business Center
 - (i) Enters and adjusts state allocations in FMML.
 - (ii) Enters accruals as applicable for conservation practices or activities completed, but not yet approved for payment, before the close of the reporting period.
- (2) Deputy Chief for Programs
 - (i) Processes state requests for allowance changes to current- or prior-year allocations.

- (ii) Coordinates allowance changes or distributions with the regional conservationists.
- (iii) Monitors fund obligations to achieve program goals and meet critical program delivery timelines.
- (3) Regional Conservationists
 - (i) Ensure funds are used for the allocated purpose.
 - (ii) Approve and deny allowance change requests.
 - (iii) Ensure fund obligations achieve program goals and meet critical program delivery timelines.

E. Fund Spending Limit Changes

- (1) State conservationists must monitor program obligations and expenditures in accordance with their allocations. Business tools have the necessary controls to prevent obligation exceeding the state allocation. State conservationists must monitor and manage state- and contract-level funds in all program accounts to provide the funding necessary to accomplish the programs' objectives.
- (2) States must submit requests for additional current-year program funds and cost overrun funds using the nationally established process.
- (3) State conservationists must return current-year funds that the state cannot obligate using the nationally established process. When returning financial assistance funds, states must also return associated TA funds, if required by NHQ. States must return funds by the date specified so that NHQ may reallocate returned funds to other states in the same year.

530.12 Funding Preparation Activities

A. NHQ must publicly post specific information on the NRCS website to announce funding opportunities. This information includes, but is not limited to, the following:

- (1) Program description
- (2) National priorities
- (3) General application information

B. State conservationists must provide at least 30 days public notice for application periods and ranking deadlines except for disaster-specific and ACT NOW program opportunities as described in subpart D. Although NRCS accepts program applications on a continuous basis, states may not establish an application period or deadline before posting items 1–3 below on their state website. States must post the information listed under item four on the state website as soon as it's available. All applicants must be provided an equal opportunity to make informed decisions regarding program opportunities before the end of the application period.

- (1) General program and application information, including program-related deadlines and how to apply
- (2) National and state natural resource priorities
- (3) Producer and land eligibility requirements
- (4) Provide the following as soon as available:
 - (i) Screening and ranking criteria

- (ii) Eligible conservation practices and activities approved for the application ranking period
- (iii) Payment rates approved for eligible conservation practices and activities or a link to the state payment schedule website

C. Designated conservationists must perform the following signup preparation activities in their geographic area by posting or publishing program information. This may include local newspapers, producer organization newsletters, conservation district newsletters, or other local media accessible by the general public. This outreach effort must include, but is not limited to—

- (1) Program description.
- (2) General application information, including continuous signup, application period, cutoff dates for ranking, other program-related deadlines, and where to apply.
- (3) Local office location and contact information.
- (4) State NRCS website.

530.13 Program Payment Schedules

A. NRCS uses payment schedules to document applicable costs and payment rates used to support authorized programs. Payment schedules must document estimated costs for implementation of conservation practices and activities in accordance with NRCS technical standards, specifications, job sheets, and guide sheets. Payment schedules must follow the principle of cost effectiveness as defined in Title 440 Conservation Programs Manual, Part 502 “Terms and Abbreviations Common to All Programs,” and adhere to program-specific requirements.

Note: While planners and engineering staff should work with the participant in selecting a treatment option that will address the identified resource concern in the most cost-effective manner, this does not limit the conservation practice or activity that the participant can select. Treatment options must meet NRCS standards and specifications, address the identified resource concern, and be approved by an individual with NRCS job-approval authority.

Note: Some programs may use payment methods other than payment rate for financial assistance payments, such as actual cost not to exceed a specified maximum (AM), average cost, or flat rate.

Note: TA provider 900-series TA payment contract items use the AM payment method.

Note: For the Agricultural Conservation Easement Program – Wetlands Reserve Easements, NRCS uses cost lists rather than payment schedules following the same guidelines.

B. Definitions, methods of payment, and detailed guidance for development of payment schedules are found in the following directives:

- (1) Title 440 Conservation Programs Manual, Part 502 “Terms and Abbreviations Common to All Programs.”
- (2) Title 300, Payment Schedule Handbook, Part 600, “Payment Schedules.”

C. Unless otherwise specified by program or national directive, state conservationists, with input from the state technical committee, partners, or other stakeholders, must establish appropriate program payment percentages for each cost category that consider the minimum or lowest percentage needed to encourage program participation. The payment percentage must be the same for all cost components except foregone income. See program-specific subparts of this manual for additional guidance.

D. NHQ will publish the program payment schedules for all states to the National Payment Schedules website. States must link their website to the appropriate payment schedules.

E. Once NRCS finalizes the payment schedules for a fiscal year, the payment schedules will apply to all contracts obligated within that fiscal year.

Part 530 – Working Lands Conservation Programs Manual

Subpart C – Application for Assistance

530.20 General

A. This subpart provides policy related to requests for conservation program assistance, including eligibility requirements. NRCS accepts requests for financial assistance for all conservation programs on a continuous basis and evaluates and administers them in a fair, transparent, and consistent manner. See program-specific subparts within this manual for additional application requirements.

Note: See program-specific manuals for application and eligibility requirements for NRCS easement programs.

B. Producer.—Eligible applicants must be—

- (1) A person, legal entity, Indian tribe, Alaska Native corporation, or joint operation with signature authority.
- (2) Engaged in agricultural production or forestry management or have an interest in the agricultural or forestry operation associated with the land offered for enrollment. Interest in the agricultural operation means one of the following:
 - (i) Be an owner or renter of the land in the agricultural operation;
 - (ii) Have an interest in the agricultural products, commodities, or livestock produced by the agricultural operation; or
 - (iii) Be a member of a legal entity or joint operation that either owns or rents land in the agricultural operation or has an interest in the agricultural products, commodities, or livestock produced by the agricultural operation.

Note: NRCS must not establish or use any additional criteria for determining that an applicant is a producer other than criteria cited in this section. Do not use the following criteria to determine eligibility as a producer:

- Type of operation or agricultural enterprise
- Size of operation
- Location of operation
- Income (profit or loss)

C. Potential applicants include—

- (1) Persons.—Producers who apply with a Social Security number and under the producer's individual name.
- (2) Legal Entities.—Producers who apply with an employer identification number (EIN) generally using a business name.

Note: Some trusts and limited liability corporations may operate using a Social Security number.

- (3) Joint Operation.—Joint operations exist where each member or partner shares direct liability or responsibility for the partnership, and the eligibility information of each individual transfers to the joint operation.

- (i) Joint operations, such as a general partnership, must have an EIN to receive payments directly to the joint operation.
- (ii) Unlike a general partnership, a joint venture may or may not be formed under state law and may be an informal agreement between two or more individuals or businesses. Informal joint ventures require each member to be signatory to the contract for their individual interest and are not based on an EIN. NRCS pays members directly using their individual tax identification numbers (tax ID).
- (4) Indian tribes, Alaska Native corporations, and trusts involving the Bureau of Indian Affairs (BIA).—See section 530.21B for more information.
- (5) Water Management Entities.—A state, irrigation district, ground water management district, acequia, land grant-merced, or similar entity with responsibilities related to irrigation water delivery or management. These may be public or semi-public agencies or organizations with the purpose of assisting individual producers.
- (6) NRCS Employees.—NRCS employees who wish to participate in an NRCS program as an individual or as an entity of which they are a member must follow ethics guidance in Title 110 General Manual, Part 405, Subpart F, “Employee Participation in NRCS Programs.”
- (7) Conservation District Employee.—Subject to the ethics requirements specified in the approved cooperative working agreement between NRCS and the conservation district.
- (8) Minor.—Eligible as a contract participant if legally responsible and independently participating in the operation of the farm or ranch as an eligible individual. A parent or legal guardian must also be signatory to the contract. In most cases, NRCS will attribute payments earned by a child under 18 years of age to the parent or any court-appointed person such as a guardian or conservator who is responsible for the child. See Farm Service Agency (FSA) Handbook 5-PL, “Payment Eligibility, Payment Limitation, and Average Adjusted Gross Income – Agricultural Act of 2014,” Paragraph 172, and 7 CFR § 1400.101 for more guidance related to when NRCS will attribute a payment to a minor.
- (9) Foreign Person.—A foreign person who is providing land, capital, and a substantial amount of personal labor in the production of crops may be eligible if the foreign person meets all other program eligibility requirements as determined by FSA and obtains a tax ID from the Internal Revenue Service (IRS) (see 7 U.S.C. § 1308-3). With respect to a legal entity, any member, partner, or stockholder who is not a U.S. citizen or resident alien is ineligible for payment unless the person provides a significant amount of active personal labor to the farming operation.

Note: See program-specific eligibility matrix in subpart O, section 530.143C, “Program Eligibility Matrices for Individuals, Entities, and Joint Operations,” for applicant-type filing requirements. For business-type descriptions, see FSA Handbook 11-CM, “Customer Data Management,” and 11-CM, Exhibit 10, “BP Customer Roles/Business Types and Valid Tax ID Types.”

D. Group Projects.—Participants may enroll in joint contracts according to guidelines established in the program-specific subparts. These projects are made up of two or more eligible applicants on two or more operations, intending to pool resources, efforts, finances, or other contributions to address the same resource concerns. Joint participation is permitted when it will result in greater environmental benefit than individual participation, or in a cost savings, and all producers receiving direct or indirect benefits from the group project meet eligibility requirements. See subpart R, “Environmental Quality Incentives Program” and subpart S, Regional Conservation Partnership Program – Land Management and Rental Producer Contract” for more guidance.

E. Ineligible Applicants

- (1) A producer is ineligible for USDA program benefits if engaged in controlled substance activities, including growing marijuana on any part of their agricultural operation in violation of Federal law, even if the requested assistance does not relate to the part of the agricultural operation producing the controlled substance. See section 530.21D for guidance on hemp production.
- (2) Federal, state, county, and local governments, political subdivisions of state government (e.g., school districts, conservation districts), and entities with members of units of government or subdivisions are not eligible. See subpart R, section 530.402, “Eligibility,” for exceptions to this policy.

F. See program-specific subparts of this manual for additional eligibility requirements.

G. Applications Crossing State or Ranking Pool Boundaries

For applications crossing state, ranking pool, or servicing area boundaries—

- (i) State conservationists must evaluate the application and the producer’s request for servicing office or other factors to determine which office will service the application.
- (ii) States may develop and administer contracts within the state or service area where most the land is located.

H. Land Eligibility

Statute and regulations define the land uses eligible for enrollment in the programs covered by this manual. Refer to subpart O, section 530.143Q, “Land Use Eligibility Chart,” and the program-specific subparts of this manual for land eligibility guidance.

530.21 Producer Types with Additional Considerations

A. Historically Underserved Producers and Groups

- (1) See subpart A, “General Information,” for a description of historically underserved (HU) producers, and Title 440 Conservation Programs Manual, Part 502 “Terms and Abbreviations Common to All Programs” (440 CPM Part 502) for specific definitions of each HU category.
- (2) To receive program-specific HU considerations, participants on the contract must meet, at a minimum, the percent interest requirements according to the following table.

Table 530.C1: HU Participant Interest

HU Category	Percent Interest of HU Participants
Limited resource farmer/rancher (LRF)	100
Beginning farmer/rancher (BFR)	100
Socially disadvantaged farmer/rancher	50
Veteran farmer/rancher	100

- (3) Based on statutory authority, NRCS does not recognize gender as an HU category.
- (4) For LRF, a [self-determination tool](#) is publicly available or producers may request a copy from the local NRCS field office.
- (5) See section 530.143O, “Veteran Farmer or Rancher Determination Matrix for Historically Underserved Payment Rate and Veteran Preference,” and section 530.143E, “Optional Verification of Historically Underserved Applicant Self-Certification,” for more guidance.

Note: Unless a landowner is directly involved in the day-to-day management of the farming operation, the landowner does not qualify for program-specific HU considerations for BFR, including higher payment rates.

B. A federally recognized Indian tribe means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. §§ 1601 et seq.), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians. Federally recognized Indian tribes are exempt from payment limitation requirements, contract limitations, and adjusted gross income (AGI) requirements. The following requirements apply to Indians represented by BIA:

- (1) Current business tools do not maintain a payment limitation record for Indians represented by BIA.
- (2) NRCS can make payments exceeding the payment limitation to tribal participants if a BIA official certifies in writing that no one individual will receive more than the payment limitation.

Note: Individual tribal members are not exempt from payment limitations, contract limitations, and AGI requirements.

- (3) The BIA must produce, at the request of NRCS, proof of payments made to the person or legal entity that incurred costs or lost income related to conservation practice or activity implementation, as record of payment limitations.

C. Organic Producers.—Organic regulations are found under 7 CFR Part 205, “National Organic Program,” and are administered by the USDA Agricultural Marketing Service (AMS). See subpart Q, “Conservation Stewardship Program,” and subpart R, “Environmental Quality Incentives Program,” for program-specific

information on organics, including the national organic initiative offered through the Environmental Quality Incentives Program (EQIP).

Organic producers include those whose operations are certified organic, transitioning to organic production, or exempt from organic certification. The following apply to organic producers who receive ranking preference points or other program-specific benefits because of their status as organic producers:

- (i) USDA-certified organic producers agree to implement conservation practices or conservation activities that are consistent with an approved organic system plan (OSP) or requirements of the Organic Foods Production Act of 1990 (7 U.S.C. § 6523). A private or governmental agency, accredited by USDA as a certifying agent, must certify a producer's organic system plan.

Note: Organic operations that sell less than \$5,000 a year in organic agricultural products are exempt from USDA organic certification (7 U.S.C. §§ 6501–6522).

- (ii) Although applicants with certified-organic and transitioning-to-organic operations are not required to provide a copy of their OSP, the applicant is responsible for providing information as needed for the development of a plan of operations that identifies conservation practices or activities that are consistent with the requirements of an OSP.
- (iii) When developing a schedule of operations to support organic operations, NRCS or a technical service provider must address the National Organic Program requirements in the conservation practice or activity design to ensure that the planned conservation practices or activities are consistent with OSP standards.
- (iv) The designated conservationist must annually determine whether the participant is implementing conservation practices or activities consistent with an OSP. See subpart H, “Contract Reviews and Quality Assurance.” If a participant is not implementing conservation practices or activities according to schedule or not consistent with an OSP, the contract may be subject to termination (see subpart I, “Contract Violations”).

D. Hemp Producers.—USDA published a final rule effective March 22, 2021, to establish a domestic hemp production program. Through the rule, USDA specified the rules and regulations to produce legal hemp and outlined the process by which states and tribes can submit plans for hemp production for USDA approval. The rule also established a USDA plan to regulate hemp production by producers in areas where hemp production is legal but not covered by an approved state or tribal plan. AMS is the lead USDA agency for hemp regulations.

For NRCS to determine a hemp producer eligible for financial assistance through NRCS-administered conservation programs, the following conditions apply:

- (i) A state or Indian tribe with a USDA-approved plan for the domestic production of hemp has licensed or otherwise authorized the producer to produce hemp or AMS has directly authorized hemp production when the producer is in a state or territory of an Indian tribe that authorizes hemp

production, but such state or Indian tribe does not have (or seek to have) a USDA-approved plan.

- (ii) Hemp producers authorized under a USDA-approved plan or through AMS must record a valid license or authorization number with FSA.
- (iii) NRCS will refer to FSA records to determine whether the producer is authorized to produce hemp.

Note: More information can be found at the [Hemp Production](#) page on the USDA website.

Note: Producers participating in unauthorized hemp production are ineligible for NRCS financial assistance; however, they may be eligible for conservation technical assistance on land not included in the unauthorized hemp production.

530.22 Application Requirements

A. NRCS receives applications on a continuous basis and provides timely notification to applicants about missing documents and filing requirements and eligibility status. Applicants must provide records, certifications, and other required documents within NRCS-specified timeframes.

B. Required Records and Forms.—Applicants must establish farm records with FSA and complete required certifications to apply. Producers with established farm records should review their business structure and farm operating plan and make updates with FSA if needed. NRCS uses the following forms, in coordination with FSA as appropriate, to accept applications, establish farm records, complete certifications, and document other program eligibility requirements:

- (1) Form NRCS-CPA-1200, “Conservation Program Application”
- (2) Form AD-1026, “Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification”
- (3) Form CCC-941, “Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information,” or equivalent successor forms as applicable for reporting years
- (4) Form CCC-902, “Farm Operating Plan,” for individuals, legal entities, and joint operations, or equivalent successor forms as applicable for reporting years. The FSA county committee will use the information collected on Form CCC-902 to make payment eligibility and payment limitation determinations.

Note: FSA requires Indian tribes (business type code 20) to submit a CCC-902 to collect land information for the tribal farming operation. However, a county committee determination is not required for Indian tribes because they are exempt from payment eligibility and payment limitation determinations.

Note: NRCS no longer accepts Form CCC-901, “Member’s Information,” as a standalone document for participation in NRCS programs. Individuals, legal entities, and joint operations must file Form CCC-902 and, as determined necessary by FSA, Form CCC-901.

Note: If producers previously filed Form CCC-902 and FSA has made a determination, it is not necessary for NRCS to collect duplicate information or

to request that the applicant refile forms because of NRCS program participation. FSA eligibility determinations carry over from one fiscal year to the next. However, applicants must update their Form CCC-902 when there are changes made to the farming operation that affect the previous FSA determination.

Note: See NI 440-324, “Guidance for Form CCC-902 Filing Requirements for NRCS Applicants and Participants,” for additional procedural guidance.

Note: See exhibit 530.143P, “Eligibility Determination Chart,” to determine whether the status from the FSA Subsidiary Print allows NRCS to make an “Eligible” determination for both obligations and payments.

Note: See program-specific subparts within this manual for additional application records and forms that may be needed.

C. Certifications

- (1) Applicants, excluding those applying under Agricultural Management Assistance, must meet conservation compliance provisions of the Food Security Act of 1985, as amended, for Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) certification. A person who FSA determines is ineligible for USDA program benefits under the HELC and WC provisions may not participate in conservation programs or receive any payments for the crop year in which the person is found ineligible. Additionally, participants will not receive payments for—
 - (i) Violations of the HELC provisions for all subsequent years that the person remains ineligible.
 - (ii) Violations of the WC provisions for the crop year of the conversion and all subsequent crop years that the person remains ineligible.
- (2) Applicants must submit Form CCC-941 or equivalent successor forms as applicable for reporting years. A person or legal entity is not eligible for program payments if their AGI exceeds the AGI limitation; however, the NRCS Financial Assistance Division director may waive this requirement under some circumstances. See section 530.23C, “Adjusted Gross Income (AGI) Waivers.” Additionally—
 - (i) NRCS will reduce any payment issued to a legal entity or joint operation with members who do not meet the AGI requirement by an amount commensurate with their direct or indirect ownership interest (member share). Previously ineligible applicants may reapply in subsequent years.
 - (ii) FSA makes the AGI determination in the fiscal year NRCS approves the conservation program contract. The determination applies throughout the term of the contract unless there is a change in contract participants or to the members of a legal entity or joint operation. For contract transfers or membership changes, FSA makes the AGI determination for the new participant or member based on the fiscal year NRCS approves the transfer or the membership changes. Transferees must meet the applicable Farm Bill AGI requirements in place at the time NRCS originally obligated the contract.

- (iii) This applies to all contract participants, entity members, and successors to these contracts.

Note: Changes in the members or in member shares of an entity must be documented by the entity submitting revised FSA forms. Failure to update the FSA Subsidiary Business File will result in a mismatch between business tools, which will prevent obligation and payment.

D. Other Requirements

- (1) Signature authority for an individual requesting benefits for a legal entity or joint operation is discussed in section 530.24, “Signature Authority.”
- (2) Control of Land Requirements.—NRCS may enter into a contract with one or more participants having control of the offered land. The word “control” means possession of the land by ownership, lease, or other agreement.
 - (i) Applicants self-certify control of the land and relationship (owner, operator, or both), and, if leased or through other agreement, on Form NRCS-CPA-1200 at the time of application. NRCS verifies that the participant continues to maintain control before contract obligation, during annual contract reviews, and before approval of any modifications or payments. See subpart H for more information.
 - (ii) When available, NRCS should use FSA records such as the Producer Farm Data Report to verify the participant’s interest in the land (owner, operator, or other tenant). In the absence of FSA records, NRCS may use other reliable documentation such as leases, survey maps, tax parcel data, and official land use maps to verify control of land. NRCS must note in the case file what documentation was reviewed.
 - (iii) State conservationists may waive this requirement for tribal land and other unique cases in which a written lease is not customarily used.
 - (iv) Applicants who sublease portions of their operation to other producers during the term of the proposed contract may not have control of the land. Under these circumstances, NRCS must verify during the application process or contract review that the lease agreement demonstrates to the satisfaction of NRCS that the applicant or participant remains in full control of the land and will be able to meet all contract provisions.
- (3) Before obligation, tenants must obtain and provide to NRCS written concurrence from the landowner to apply a structural or vegetative conservation practice or activity.
 - (i) Use subpart O, section 530.144D, Form NRCS-CPA-1257, “Landowner Concurrence Form to Install Structural or Vegetative Conservation Activities,” or other written landowner concurrence.
 - (ii) For heirs’ property, when the heir is an owner but listed as an operator or other tenant in FSA records and serves as the decisionmaker for the land included in the application, NRCS may use subpart O, section 530.144F, Form NRCS-CPA-1304, “Heirs Property Ownership Applicant Self-Verification Form,” to self-certify landowner concurrence for installing structural or vegetative conservation activities.

For the land included in the contract offer—

- If a parcel has multiple landowners, only one landowner needs to sign the form.
- NRCS needs separate, signed forms for each parcel with different owners.

Note: Management practices, defined in 440 CPM Part 502 as having a 1-year lifespan, do not require landowner concurrence.

- (4) Program applicants must comply with the provisions for protecting the interests of tenants and sharecroppers, including the provisions for sharing payments on a fair and equitable basis. Consent must be obtained, in writing, from each identified tenant or sharecropper before excluding them from a contract to ensure that all parties having a share in the agricultural operation receive equitable treatment. This determination is applicable before contract obligation and to all owner or operator changes during the term of the contract.
- (5) See program-specific subparts within this manual for additional eligibility requirements.

530.23 Submitting Applications

A. Submitting Applications

- (1) For NRCS to consider an assessment for the funding period, applicants must file Form NRCS-CPA-1200 and identify each program for which they are seeking funding by the program-specific application cutoff deadline. NRCS will consider applications received after the application cutoff deadline in subsequent funding periods.

Note: When an applicant identifies more than one program on Form NRCS-CPA-1200, NRCS may enter a new application for each program in the applicable business tool and maintain a copy of the application form in each applicable case file.

Note: Applicants do not need to submit a new application if they do not receive a contract under that program during the fiscal year. See section 530.23H in this subpart for guidance on servicing unfunded applications.

Note: Applicants who receive partial funding of an assessment during a fiscal year must submit a new application in a subsequent fiscal year for NRCS to consider them for additional contracts under that program. NRCS must notify the applicant at the end of the funding cycle, typically the end of the fiscal year, of the status of their unfunded assessments using subpart O, section 530.141R, “Unfunded Notification for Partially Funded Application Letter.”

Note: Applicants must submit a separate application for special one-time funding opportunities, such as for specific disaster events.

- (i) Applicants can submit a signed and dated Form NRCS-CPA-1200 by hand-delivery, mail, fax, scan, email, or through agency-approved business tools. Applicants can access forms at the local NRCS office or electronically through the [USDA eForms website](#) or through the [Farmers.gov portal](#).

- (ii) If NRCS receives a program application request by other means, such as by telephone, email, or letter, an NRCS representative must manually prepare Form NRCS-CPA-1200, using the date NRCS received the request to establish that the application cutoff deadline has been met, with either a copy of the request or a note about the request if received verbally. NRCS must obtain the applicant's signature on Form NRCS-CPA-1200 to ensure NRCS properly completed the information before ranking. See section 530.25 for signature documentation requirements and acceptable signature methods policy.
- (2) The tax ID on the application and contract documents must match the tax ID for the established vendor record. NRCS reports all financial assistance funds the participant receives to the IRS using the participant's tax ID, even when the participant assigns payment to a third party.
- (3) The NRCS field office should provide applicants with a copy of the completed application and relevant fact sheets, information about the availability of advance payments when applicable, and other materials that explain program requirements.

B. Early Start Waiver.—State conservationists or their designee may grant an early start waiver based on an evaluation of the specific circumstances for which the applicant is requesting the waiver and a determination that the applicant did not start the conservation practice or activity before approval of the waiver. Approved waivers expire on a date determined by the state conservationist, but no later than 12 months after the approval date. See subpart O, sections 530.141D, “Early Start Waiver Approval Letter,” and 530.141E, “Early Start Waiver Disapproval Letter.” NRCS must inform applicants that the—

- (1) Approved waiver does not guarantee contract approval;
- (2) Conservation practices or activities must meet NRCS standards and specifications; and
- (3) Applicant must maintain eligibility, or the applicant will be ineligible to receive payments.

Note: Conservation practices or activities completed before contract obligation but after the waiver has expired are not eligible for payment.

C. Adjusted Gross Income (AGI) Waivers.—There are multiple authorities about waiving AGI provisions.

- (1) NRCS may waive the AGI limitation on a case-by-case basis if NRCS determines that the waiver will allow the application or contract will protect environmentally sensitive land of special significance. This is not a waiver of the requirement to file Form CCC-941. Persons or legal entities who exceed the AGI limit or whose payment would be subject to a commensurate reduction, as determined by FSA, may request a waiver.
- (2) For water conservation or irrigation efficiency projects, NRCS may waive the applicability of the AGI provisions if NRCS determines that the waiver is necessary to fulfill the objectives of a water conservation project implemented through an EQIP contract with a water management entity. Under this specific authority, NRCS will not require a water management entity that receives this

waiver to file Form CCC-941 or have AGI determinations made by FSA. See subpart R for more guidance.

- (3) For the 2018 Farm Bill Regional Conservation Partnership Program (RCPP)—During the initial programmatic partnership agreement negotiation, NRCS may waive the applicability of the AGI provisions if NRCS determines that the waiver is necessary to fulfill the objectives of the program. With an NRCS-approved RCPP applicability waiver in place, persons or legal entities participating through individual contracts are not required to file Form CCC-941 or have AGI determinations made by FSA. See subpart S for more guidance.

Note: See National Instruction Title 440 Part 314, “Adjusted Gross Income (AGI) Waiver Process,” for procedural guidance.

Note: For RCPP contracts obligated under a 2014 Farm Bill project, see Title 440 Conservation Programs Manual, Part 529 “Regional Conservation Partnership Program (2014 Farm Bill),” Section 529.44, “Adjusted Gross Income Authority,” and subpart S of this manual, as applicable.

D. Applications for Disaster Recovery and Resiliency Assistance.—See subpart D, section 530.36, “Disaster Assistance,” of this manual and National Instruction Title 440 Part 312, “Addressing Natural Disasters Using NRCS Financial Assistance Program Funds,” for guidance.

E. The designated conservationist must review all applications for completeness and consistency with customer and farm information and applicant-supplied data to ensure that it meets program-specific eligibility and that the applicant signed the application.

- (1) When there will be more than one participant on the contract, the decisionmaker must identify all other applicants on Form NRCS-CPA-1200 at the time of application; however, only the decisionmaker is required to sign the application. States must determine eligibility for all applicants before contract obligation.

Note: If the decisionmaker fails to identify all applicants at the time of application, the decisionmaker may correct this omission before contract obligation to allow NRCS to make eligibility determinations for all applicants.

Note: Producers must be an eligible applicant before NRCS can enter into a contract with them. No one can become a participant unless they applied to the program and NRCS determined their eligibility.

- (2) NRCS services applications based on the signup and evaluation cutoff dates, screening when used, the availability of program funds, and other requirements, as specified for the applicable program.

Note: See subpart H, “Contract Reviews and Quality Assurance.”

F. NRCS must determine final eligibility before contract approval per guidance in subpart E, sections 530.41A and 530.41C.

G. Ineligible Applications.—NRCS determines whether the applicant and the land meet the general eligibility requirements in this subpart in addition to any program-specific eligibility requirements. If NRCS determines that the applicant or the land does not meet general or program-specific eligibility requirements, NRCS must notify the

applicant of this adverse decision using subpart O, section 530.141B, “Ineligibility Determination for Conservation Program Contract Letter.”

H. Servicing Unfunded Applications.—At the beginning of the new fiscal year, NRCS will defer unfunded applications to the new fiscal year. NRCS must send unfunded applicants a deferral letter that notifies the applicant of the options to keep the application active for consideration in a subsequent funding period or to request cancellation. See subpart O, section 530.141A, “Application Deferral Letter,” or section 530.141R, “Unfunded Notification for Partially Funded Application Letter.”

Note: Applicants may request deferral of eligible applications before the end of the fiscal year.

I. The designated conservationist must cancel any application for producers who die or become incapacitated. Successors wishing to continue the application must sign a new application. Applications cannot be transferred.

530.24 Signature Authority

A. Documentation Required for Signature Authority

- (1) For individuals operating under business type code 1, “Individual,” NRCS only requires documentation of signature authority if another individual is signing in a representative capacity. For this situation, use Form FSA-211, “Power of Attorney,” or another document approved by NRCS. See section 530.24C for more information related to a Power of Attorney.
- (2) Legal entities may establish signature authority using Form CCC-902 or equivalent successor form with FSA. Form CCC-901 may also be used for embedded entities if a manual Form CCC-902 is completed.

Note: Both Farm Bill 2014 and Farm Bill 2018 use the same forms, CCC-901 and CCC-902.

Note: Form CCC-501, “Member’s Information,” and Form CCC-502, “Farm Operating Plan for Payment Eligibility Review,” used in previous Farm Bills, provide a list of entity members but do not establish signature authority for the business.

- (3) For Indian tribes, including Alaska Native corporations, refer to section 530.24B(2) which provides other ways NRCS can validate signature authority. For further guidance, reference FSA 1-CM, which states that a copy of the tribal bylaws designating members’ authorization to sign and bind other members of the venture will authorize a member to sign and obligate other members of the tribal venture.

B. Authorization for Joint Operations and Legal Entities

- (1) Members of legal entities operating with an EIN may self-certify signature authority using Forms CCC-901 and CCC-902, as determined by FSA. See section 530.24A(2). Only members with designated signature authority are authorized to sign on behalf of the legal entity.
- (2) In cases where Form CCC-901 or CCC-902 does not document signature authority, NRCS may accept a copy of the charter, bylaws, court orders of

appointment, trust agreement, last will and testament that designates an executor of a trust or estate and has been approved by the applicable court, articles of partnership, or other legal documents clearly designating who has signature authority for the joint operation or legal entity. Where the documents do not provide specific signatory authority, all members must sign the contract documents or use a power of attorney designating an individual to act as the attorney-in-fact or agent for the joint operation or legal entity.

- (3) Although the electronic FSA Subsidiary Business File records are not stored with signatures, the presence of Form CCC-901, CCC-902, or equivalent successor forms in FSA's Business Partner system indicates that FSA received a signed copy when the legal entity originally filed or updated the form. NRCS does not need to obtain a signed copy of these forms.
- (4) For joint operations without an EIN, NRCS requires each member be identified on the application and sign Form NRCS-CPA-1202, "Conservation Contract," and the appendix to Form NRCS-CPA-1202 or provide documentation as identified in section 530.24A, "Documentation Required for Signature Authority" or section 530.24C, "Power of Attorney".

C. Power of Attorney

- (1) An individual, legal entity, or joint operation may use Form FSA-211, "Power of Attorney" (revision 12/17/2008 or after), which specifies applicability for NRCS programs, to establish signature authority. Form FSA-211 must indicate that the appointed attorney-in-fact may act on behalf of the grantor(s) for NRCS programs, and the grantor must have the form notarized or witnessed by an authorized FPAC employee. NRCS has accepted this form since 2009. See FSA Handbook 1-CM, "Common Management and Operating Provisions," for details.
- (2) An executor or other estate representative can sign for an estate with no further authorizations when they provide NRCS with appropriate supporting documentation.
- (3) NRCS may accept other forms of Powers of Attorney provided the Office of the General Counsel (OGC) concurs that they are legally sufficient to document signature authority and specify that the attorney-in-fact may conduct program activities on behalf of the grantor.

Note: Under 7 CFR § 718.9, "Signature Requirements," spouses may sign on behalf of one another without a Power of Attorney only as authorized for specific FSA programs. This authorization does not extend to NRCS programs. NRCS program applicants or participants must execute the appropriate Power of Attorney to give spouses authority to sign contract documents.

Note: All Powers of Attorney expire upon the death of the grantor of the Power of Attorney.

530.25 Signature Documentation

A. The signature on the contract document indicates agreement to the terms of the contract; therefore, NRCS must ensure the validity of the signature, especially when an individual is signing on behalf of a legal entity or another individual.

- (1) Individuals signing on their own behalf
 - (i) Signatures should match the name printed on the contract documents. Variations that do not cause disagreement between signature and the printed name are permitted.
 - (ii) NRCS can confirm the validity of an illegible signature or the use of a mark or stamp by comparing it with a previously witnessed signature or through verbal confirmation with the individual. NRCS must note any verbal confirmation on the relevant contract document or in the case file.
- (2) Individuals signing on behalf of another individual or legal entity
 - (i) The individual signing should indicate that they are doing so in a representative capacity using terms such as “by” or “for” and include their title, relationship, or capacity for which they are signing.
 - (ii) When the signature is missing the indicator of the representative, NRCS must confirm that the individual has appropriate authority to sign on behalf of the individual or legal entity. See section 530.24, “Signature Authority,” in this subpart.
- (3) If NRCS does not have documentation of signature authority on file or cannot confirm the validity of a signature, NRCS must reject the signature.

B. Acceptable signature methods

- (1) NRCS may accept electronic signatures if they comply with agency-approved signature guidance. An electronic signature is a symbol or graphical representation of a person’s name recorded in a digital format on a document. Electronic signatures do not always ensure the authenticity of the signer. As such, NRCS will only accept electronic signatures if one of the following conditions can be met.
 - (i) The signature is a digital signature. Digital signatures are a subset of electronic signatures that use databases and unique certificates for each signature to prove the time and location (IP address) of the person signing and ensure the authenticity of the signer. Agency-approved digital signatures that are not USDA eAuthenticated must include software solutions that have two-factor authentication.
 - (ii) Non-digital electronic signatures (such as photo or scanned copies) are limited to situations where NRCS can compare the electronic signature with an original wet signature. In most cases, the original signed documents must be subsequently provided to NRCS.

Note: See National Instruction Title 440 Part 319, “NRCS Acceptable Signature Methods” (440 NI 319), for program-specific guidance on acceptable methods for obtaining client signatures.

- (2) NRCS will accept contract documents with original signatures and digital signatures when uploaded through agency-approved, eAuthenticated web portals.

Note: If the form transfers contract rights or payments to a participant not currently on the contract, NRCS will only accept digital signatures obtained via agency-approved, eAuthenticated web portals.

- (3) States may accept digital signatures for other documents not included in the chart “Guide to Acceptable Signatures,” referenced in 440 NI 319 and available on the Deputy Chief for Programs SharePoint site, as long as the following criteria are met:
- (i) USDA has approved the software used to obtain the digital signature. The system used for the digital signature must have a two-factor authentication to ensure validity of the signatures.
 - (ii) The document is used to obtain a signature between NRCS and a program applicant or participant.
- Note:** NRCS does not accept digital signatures obtained on documents between an NRCS client and a third party unless specifically authorized by program-specific policy.
- (iii) Program-specific policy does not prohibit the use of electronic or digital signature.
- (4) NRCS employees acting in their official capacity may use their LincPass or PIV to sign contract documents as delegated. NRCS employees must not use their LincPass or PIV if applying to or participating in NRCS programs. See section 530.20C(6) in this subpart for more guidance.
- (5) States must require additional documentation to validate questionable digital signatures and consult national headquarters, if needed.

Part 530 – Working Lands Conservation Programs Manual

Subpart D – Application Processing

530.30 General

- A. This subpart provides policy related to planning, screening, assessing, and ranking a producer's assistance request or conservation program application.
- B. Unless otherwise stated in the program-specific subparts of this manual, NRCS will use the applicable business tools to complete evaluations for all applications and assistance requests. See subpart O, section 530.143K, "Business Tools Quick Reference," for a list of applicable business tools.

530.31 Planning

- A. Planning occurs throughout the application and contract management process. However, planning typically begins once the producer requests assistance from NRCS or applies for a program to address an identified natural resource concern on their operation. NRCS works with the producer to select appropriate conservation treatment and develop the conservation plan.

Note: The conservation plan in this context is not the same as the highly erodible land conservation compliance plan defined by Title XII of the Food Security Act of 1985, but instead identifies conservation practices and activities the producer will use for conservation treatment to address resource concerns on their operation in order to meet program requirements.

- B. Planning Conservation Treatment

- (1) Conservation treatments included in a conservation plan must improve the identified resource concerns.
- (2) Conservation treatments include any conservation practice or activity that meets program criteria and the minimum planning criteria in the Field Office Technical Guide (FOTG) or other criteria as specified by program regulation or policy.
 - (i) Conservation practices must be listed in Title 450 National Handbook of Conservation Practices, Part 620, and be included in the Conservation Practice Data Entry System (CPDES) with an approved standard in the state FOTG.
 - (ii) Conservation activities must be included in the CPDES and have an associated guide sheet or other applicable guidance document that outlines the required technical criteria. National headquarters provides guidance to the states on where to find these documents.

- C. Planning Conservation Practices or Activities

- (1) Consistent with Title 180 General Manual, Part 409 "Conservation Planning Policy," conservation practices and activities must be planned, applied, and maintained according to the approved practice standards, specifications, and guide sheets.

- (2) When planning conservation practices and activities that will be included in a program contract, NRCS may only include the extent necessary to address the resource concern according to the conservation standards, specifications, job sheets, guide sheets, or other applicable criteria.

Note: This does not preclude NRCS from working with the applicant or participant to plan a conservation practice or activity that exceeds the minimum requirements. Refer to subpart B, section 530.13A, for more guidance on using payment schedules in contracting.

- (3) Refer to the following manuals and handbooks for additional planning resources:
 - (i) Title 180, National Planning Procedures Handbook, Part 600
 - (ii) Title 190 General Manual, Part 410 “Compliance with NEPA”
 - (iii) Title 190 National Cultural Resources Procedures Handbook, Part 601
 - (iv) Title 190 National Environmental Compliance Handbook, Part 610
 - (v) Field Office Technical Guide
 - (vi) Title 440 Conservation Programs Manual, Part 500 “Locally Led Conservation” (440 CPM Part 500)
 - (vii) Title 440 Conservation Programs Manual, Part 504 “Technical Service Provider Assistance” (440 CPM Part 504)
 - (viii) Title 450 General Manual, Part 401 “Technical Guides” (450 GM Part 401)
 - (ix) Title 450 National Handbook of Conservation Practices, Part 620

D. Conservation Practice and Activity Lifespans

- (1) The NRCS Science and Technology deputy area establishes conservation practice and activity lifespans which NRCS records in the CPDES (see 450 GM Part 401). The lifespan is the minimum number of years NRCS expects the implemented conservation practice or activity to function for its intended purpose.
- (2) Except when a conservation practice or activity fails due to circumstances beyond the control of the participant, NRCS may not use financial assistance to reapply a conservation practice or activity that is still within its lifespan (see subpart G, section 530.64, “Reapplication of Failed Conservation Treatment”).
- (3) Participants agree to operate and maintain all conservation practices or activities established through a contract for the established lifespan. The lifespan of a conservation practice or activity may extend beyond the conservation program contract period.

Note: Once a contract expires, neither NRCS nor the participant has any responsibilities under the contract; however, if a participant fails to operate and maintain a contracted practice or activity for its lifespan, the participant may be considered a low priority in subsequent application periods. See section 530.32, “Screening.”

- (4) See subpart E, section 530.43, “Contract Requirements,” for guidance on establishing the contract length when contracts contain conservation practices with long lifespans.

E. Conservation Treatment Already on the Land

Participants and NRCS must use previously established conservation practices and activities in combination with planned conservation practices and activities to address

resource concerns. NRCS must include operation and maintenance requirements as part of the conservation plan for any existing conservation practice or activity used to meet the objectives of the conservation program contract and the planned management system.

F. Technical Service Providers (TSP)

Program participants may elect to use a TSP in lieu of NRCS for technical assistance to help with developing plans, completing designs, and other actions. See subpart E, section 530.40C, “Technical Assistance for Contracts,” and 440 CPM Part 504 for more guidance.

530.32 Screening

A. General

- (1) States may use screening criteria for workload management or for specific projects or initiatives.
- (2) Screening quickly identifies applications that would receive a high-ranking score based on the criteria for a given ranking pool. This allows NRCS to streamline the evaluation process and identify assessments that will efficiently maximize conservation benefits.
- (3) It is not appropriate to use screening criteria that undermine the ranking process. Any screening criteria must be consistent with statutory or regulatory requirements.
- (4) States may consider the following when developing a screening tool.
 - (i) Applicants who failed to properly operate and maintain conservation practices or activities within their lifespan and installed with NRCS program financial assistance.
 - (ii) Applicants with a contract violation for reasons within their control. NRCS may not screen a producer as lower priority for a contract violation if NRCS has not taken appropriate contract administrative action to enforce the contract.
 - (iii) Applicants who have had a previous contract terminated for reasons within their control.
- (5) Examples of inappropriate screening criteria include, but are not limited to:
 - (i) Actions outside of the producer’s control, such as hardship, disaster events, or the ability for NRCS to develop a conservation plan or provide completed conservation practice or activity designs.
 - (ii) Whether or not the participant has previously held a program contract.
 - (iii) Type of livestock or crop operation, including minimum livestock numbers.
 - (iv) Size of operation or minimum acre threshold.
 - (v) Applicants who have had a previous contract canceled.

B. Projects and Initiatives

States may establish screening criteria according to section 530.32A above to support:

- (1) National landscape or programmatic initiatives.
- (2) State-led group projects or initiatives.
- (3) Locally led group projects or initiatives.

C. States that choose to screen applications to establish priority must use the screening tool in the applicable business tools and maintain documentation in the case file. NRCS should

first assess and rank high-priority requests followed by medium, then low, as funding permits. See National Instruction Title 300 Part 311, “Guidance for the Workload Prioritization Tool.”

530.33 Assessment

- A. Refer to the Conservation Assessment and Ranking Tool user guide for information on completing assessments.
- B. Planners must assess resource concerns associated with conservation practices or activities planned for a program contract.
- C. Additionally, planners must assess any nationally required resource concern categories and associated resource concerns identified for a specific program.

530.34 Ranking

- A. See National Instruction Title 440 Part 310, “NRCS Program Ranking through Conservation Assessment Ranking Tool (CART),” for guidance on ranking assessments.
- B. Find program-specific ranking guidance in the applicable subpart of this manual.
- C. NRCS may not consider any assessment for funding under a specific program unless the applicant submitted Form NRCS-CPA-1200, “Conservation Program Application,” before the application signup cutoff date.

530.35 Selecting Assessments for Funding

- A. States must use a selection tool to select the highest-ranked assessments for funding and change their status to preapproved based on funding availability. See subpart B, section 530.11, “Fund Spending Limits and Management,” for more information on establishing spending plans.
- B. NRCS staff making funding selections may not skip assessments within a ranking pool to allow funding of a lower-ranked assessment unless authorized by the specific program as described in the program-specific subparts of this manual. This does not apply to lower ranked assessments within a separate spending plan category as described in subpart B, section 530.11B.
- C. If two or more assessments have a tied ranking score, NRCS must fund the assessment with the highest efficiency score first. If tied assessments also have the same efficiency score, states must fund either all tied assessments or none. Refer to program-specific subparts for more guidance.
- D. Preapproval of an assessment does not guarantee NRCS will approve and obligate a contract.
- E. For the next steps in the contract development process, refer to subpart E, section 530.41, “Approval Process.”

F. At the end of each selection period, NRCS must save the program-specific ranking list for that ranking pool and retain according to National Instruction Title 120 Part 357, “Disposition of Land Treatment Program Contract Documents.”

530.36 Disaster Assistance

A. When establishing a disaster-specific program opportunity, state conservationists may waive the requirements under subpart B, section 530.12, “Funding Preparation Activities,” regarding the 30-day public notice of the application period and posting all required information to the state website.

B. Refer to guidance provided by national headquarters for nationally approved disaster events, including National Instruction Title 440 Part 312, “Addressing Natural Disasters Using NRCS Financial Assistance Program Funds.”

C. State conservationists may use subpart O, exhibit 530.143N, “Delegation of Authority,” to document their delegations of authority. For a specific disaster event, the state conservationist may further delegate authority to the designated conservationist to approve early start waivers for identified practices for the applicant to use to address resource concerns caused by the disaster event.

530.37 ACT NOW

A. General

- (1) ACT NOW allows NRCS to approve and obligate a ranked application in a designated ranking pool when an application meets or exceeds a state-determined minimum ranking score without waiting until the NRCS field office ranks all applications in the ranking pool.
- (2) Follow guidance in subpart B, section 530.11, “Fund Spending Limits and Management,” to establish ACT NOW allocations.
- (3) Conduct outreach on ACT NOW opportunities according to subpart A, section 530.5, “Information, Outreach, and Training.”
- (4) States must process applications within ACT NOW ranking pools in a timely manner to ensure fair and equitable treatment of all program applicants.
- (5) States should assess and rank any application received for ACT NOW in all applicable ranking pools.

B. Establishing ranking pools and threshold ranking score

- (1) States may designate or develop specific ranking pools for ACT NOW.
- (2) States using ACT NOW ranking pools must establish a threshold ranking score based on the applicable program ranking criteria in the program-specific subparts of this manual. States must post the threshold ranking score for any ACT NOW ranking pool on their websites before making funding decisions.

C. States must establish a timeframe for the field office to complete assessment and ranking. States must process ACT NOW applications in the order received when possible, accounting for participant availability for conservation planning decisions.

D. Based on available funds, states must preapprove an application with a ranking score equal to or greater than the established threshold ranking score and move forward with contract obligation according to subpart E.

E. Once states use their established ACT NOW allocation, they may:

- (1) Increase the ACT NOW allocation;
- (2) Stop preapproving ACT NOW applications; or
- (3) Consider unfunded ACT NOW applications in other applicable ranking pools.

F. If states have preapproved all applications at or above the threshold ranking score and there are still remaining ACT NOW funds, states may continue to preapprove applications in ranking order as funding allows.

G. Refer to subpart C, section 530.23H, “Servicing Unfunded Applications,” for guidance on handling applications NRCS is unable to select for funding.

Part 530 – Working Lands Conservation Programs Manual

Subpart E – Contract Development and Requirements

530.40 General

A. Overview

- (1) This subpart provides policy for developing a contract based on an approved program application.
- (2) NRCS must use applicable business tools for developing and implementing a contract for the programs included in this manual. Refer to subpart O, exhibit 530.143K, “Business Tools Quick Reference,” for more information.

B. Contracting Responsibilities

- (1) Conservation contracts are legally binding agreements that define the terms and conditions of program participation, including the responsibilities of the participants and NRCS, and the consequences for violating the terms and conditions of the contract.
- (2) NRCS must provide the participant with all standards, specifications, guide sheets, and designs required for the participant to implement the planned conservation practices or activities in accordance with the contract.
- (3) NRCS must permit all economic uses of the eligible land that—
 - (i) Maintain the agricultural or forestry nature of the land.
 - (ii) Are consistent with the purposes of the conservation contract.

C. Technical Assistance for Contracts

- (1) Based on available funding, NRCS must provide technical assistance in developing implementation requirements, designs, operation and maintenance plans, and conservation practice or activity layout as requested by the contract participant. NRCS must review and certify all conservation practices and activities after the participant completes them.
 - (i) By entering into a contract, the participant agrees to implement scheduled conservation practices or activities regardless of who provides necessary technical assistance.
 - (ii) Participants may choose to get technical assistance from other federal and state agencies or private sources, including technical service providers (TSP), for conservation planning, design, and checkout. NRCS may provide a payment for technical assistance according to section 530.40C(2).
 - (iii) If NRCS fails to provide required technical assistance, this is considered a circumstance beyond the participant’s control, and the participant is not in violation of the contract. Refer to subpart I, section 530.82, “Addressing Noncompliance and Violations,” for guidance on modifying or cancelling the contract.
- (2) TSPs are not considered participants on a financial assistance program contract.

- (i) TSP responsibilities are outlined in 7 CFR Part 652, “Technical Service Provider Assistance,” and in Title 440 Conservation Programs Manual, Part 504 “Technical Service Provider Assistance,” Subpart B “Roles and Responsibilities.”
- (ii) Participants interested in receiving a payment for a TSP must secure the services of a TSP certified for the services being requested. Participants can find certified TSPs registered through the [TSP website](#).
- (iii) NRCS may schedule a technical assistance contract item using the appropriate 900-series code as part of the original contract or modify the contract to add the applicable items after obligation. Refer to subpart G, “Modifications,” for guidance.
- (iv) NRCS must fund technical assistance items with current-year funds. NRCS may fund future technical assistance items in subsequent years, subject to available funds.

530.41 Approval Process

A. Preapproval of Applications.—Once NRCS selects an application for funding as described in subpart D, “Application Processing,” the state program manager, or others with delegated authority and appropriate business tool permissions, will—

- (1) Use subpart O, exhibit 530.141C, “Intent to Proceed Letter,” to notify the applicant. NRCS field staff uses this letter, along with subpart O, exhibit 530.142E, “Conservation Program Application Checklist,” to—
 - (i) notify an applicant that NRCS ranked the application high enough for funding consideration and determine the applicant’s interest in moving forward with a contract; and
 - (ii) provide the applicant an opportunity to finalize the applicant’s eligibility and to request any other documentation needed for contract development.

Note: When a state has previously notified an applicant about preapproval and the applicant has provided all required documentation for contract development, the state does not need to send the “Intent to Proceed” letter. However, the state must have documentation to support this decision in the case file.

- (2) If NRCS determines the applicant eligible and the applicant fails to respond by the date requested, NRCS may defer the application. However, if NRCS has not made an eligibility determination and the applicant fails to respond or provide required information by the date requested, NRCS may determine the application ineligible. Refer to subpart C, section 530.23G for guidance on ineligible applicants.
- (3) Establish a vendor code for each participant receiving a payment share. The vendor code establishes the connection between the participant’s tax identification number and the Internal Revenue Service (IRS), so that NRCS can report a participant’s payments to the IRS. The applicant must have an active vendor code and direct deposit information entered before NRCS can approve an application. Refer to section 530.41B(3) below for more guidance on designating payment shares.

Note: Contract approval is based on availability of funds.

Note: Follow guidance in subpart F, section 530.50B, if the applicant does not have a bank account.

B. NRCS will complete the following actions before obligation:

- (1) Conservation Plan and Plan Map.—Finalize the conservation plan and plan map to delineate contracted acres and conservation practice or activity extent and locations. Refer to subpart D, “Application Processing,” for more planning guidance.
- (2) Schedule of Operations.—Finalize and verify that Form NRCS-CPA-1155, “Conservation Plan or Schedule of Operations,” is accurate, complete, and in accordance with program-specific requirements. Refer to applicable program-specific subparts of this manual. The following requirements apply to all programs.
 - (i) Planners must work with the applicant or participant to schedule conservation practices or activities that are part of a system in sequence to allow for timely completion and payment certification of each item individually regardless of whether the participant has implemented the entire system.
 - (ii) Form NRCS-CPA-1155 only contains conservation practices or activities included in the assessment and applicable ranking pools.
 - (iii) Payment caps.—Refer to subpart F, section 530.50G, for more information on when to apply payment caps to a contract item.
 - (iv) Planners will schedule at least one conservation practice or activity that the participant must implement within the first 12 months of the contract. The state conservationist or designee may extend this timeframe if NRCS determines that the participant is unable to complete the conservation practice or activity for reasons beyond their control.
- (3) Form NRCS-CPA-1202, “Conservation Program Contract.”—Confirm that the applicant has identified the following items and that they are accurate on Form NRCS-CPA-1202.
 - (i) Payment Shares.—Verify that contract payment shares reflect what the applicants requested. When there is more than one participant on a contract, the payment shares should be distributed the same way across all USDA programs. Applicants must not adjust payment shares to work around payment limitations or other program requirements. Refer to subpart G, “Modifications,” if the participant requests a different payment share distribution after contract obligation.
 - (ii) Decision Maker.—When there is more than one applicant, verify that the person identified as the decision maker for the contract is consistent with the person listed as the decision maker on the Form NRCS-CPA-1202 signature page. The decision maker is the point of contact for all contract-related correspondence.
 - (iii) Participant Signatures for Modification and Payments.—When there is more than one applicant, Form NRCS-CPA-1202 may identify the following.
 - Signatures required for modifications.—NRCS requires signatures on Form NRCS-CPA-1156, “Revision of Plan/Schedule of Operations or Modification of a Contract,” and Form NRCS-CPA-152, “Conservation Program Contract Transfer Agreement,” for all participants checking “yes” on Form NRCS-CPA-1202.
 - Signatures acceptable for payments.—Form NRCS-CPA-1245, “Practice Approval and Payment Application,” requires a signature from one participant identified as “yes” on Form NRCS-CPA-1202 or Form NRCS-CPA-152.

Note: If Form NRCS-CPA-1202 does not indicate whether participant’s signature is required for modifications or acceptable for payment, all participants must sign modification or payment documents.

- (4) Refer to the eligibility sections of the program-specific subparts of this manual to confirm that the applicant meets all other program eligibility requirements.

C. Approval of Applications

- (1) The designated conservationist may approve an application once the following requirements are met.
 - (i) All information required for populating the contract documents is entered into the applicable business tool.
 - (ii) The applicant meets all eligibility requirements.
 - (iii) NRCS confirms adequate funds are available.
 - (iv) The designated conservationist has certified the technical adequacy of the planned conservation practices or activities according to NRCS planning policy.

Note: The application does not become an official contract until the NRCS approving official obligates funds to the contract.

- (2) NRCS field office staff must use subpart O, exhibit 530.141F, “Application Approval Letter,” to notify the applicant of approval and provide the applicant an opportunity to review all contract documents before signing and returning the documents to NRCS.
- (3) NRCS field office staff must complete the program-specific preobligation checklist or state equivalent for each application before the NRCS approving official obligates the contract. Refer to the exhibit section in the program-specific subparts for program-specific preobligation checklists and subpart H, “Contract Reviews and Quality Assurance,” for more guidance.

D. Signing Contract Documents

- (1) The state conservationist or delegated approving official must use designated business tools to sign official contract documents. Refer to subpart O, exhibit 530.143K, “Business Tools Quick Reference,” for a list of applicable business tools.
- (2) The approving official must verify that the designated conservationist signed Form NRCS-CPA-1155, certifying that the technical adequacy of the conservation treatment is in accordance with NRCS conservation planning policy.
- (3) All participants receiving a share of the contract payment must sign Form NRCS-CPA-1202 and the applicable contract appendix after NRCS signs to certify technical adequacy. Only the designated decision maker is required to sign Form NRCS-CPA-1155. Refer to subpart C, section 530.24, “Signatory Authority,” for more guidance.
- (4) For business participants (legal entities or joint operations), only the signature of the authorized business representative is required and accepted on these documents.

Note: This does not apply to joint operations without an employer identification number unless the joint operation has Form FSA-211, “Power of Attorney,” filed with FSA.

- (5) Enter the date the participant signs the contract documents in the contracting tool.

Note: In the event the contract documents are signed on multiple dates, enter the latest date into the contracting tool.

E. Contract Obligation

- (1) NRCS staff with delegated responsibility will complete a second-level review before obligation. To ensure a separation of duties, the reviewer cannot be the same person who approved the application or who will obligate the contract. Refer to subpart H, “Contract Reviews and Quality Assurance,” for more guidance.
- (2) The NRCS approving official signs the contract to obligate funding.
- (3) NRCS will maintain a copy of Form NRCS-CPA-1202, with the signature of the approving official in the case file.

530.42 Contract Components

A. Contract Document Management

- (1) Subject to paragraph (B), states must identify the location of the official case file, which may be either an electronic file, a hard copy, or a combination of the two. The state conservationist must identify the applicable location of the official case file for the state to the staff.
- (2) NRCS must protect applicant and participant privacy by ensuring that the documents containing personally identifiable information (PII) are securely stored. Documents containing PII must not be left unattended in open spaces and must be kept under reasonable custodial control. In addition, NRCS must not transmit documents containing unencrypted PII through email, SharePoint, or any other unsecure method. The following forms, when applicable, are part of the official case file, but may be stored in a separate location to protect PII. In these instances, the case file should reference the location of these documents.
 - (i) SF-1199A, “Direct Deposit Sign-Up Form,” or Form NRCS-FNM-60, “Electronic Funds Transfer (EFT) Hardship Waiver Request,” with original signatures of participants receiving a payment.
 - (ii) Form CCC-901, “Member’s Information,” or Form CCC-902, “Farm Operating Plan,” for businesses, along with any required documents supporting signature authority of the business representative.
 - (iii) Form CCC-902I, “Farm Operating Plan for an Individual,” if used by individual participants and provided to NRCS.
 - (iv) Payment assignments using Form CCC-36, “Assignment of Payment,” with original signatures.
 - (v) NRCS-CPA-1200, “Conservation Program Application,” if the applicant’s full tax identification number is included.
- (3) If the field office uses a six-part folder, refer to subpart O, exhibit 530.142B, “Conservation Program Contract File Checklist.”

B. Critical Contract Documents.—At a minimum, states must maintain the following documents used to support program contracts in the electronic case file. NRCS may save other supporting documents to the electronic case file as needed or requested by either NRCS or the participant.

- (1) Form NRCS-CPA-1200, “Conservation Program Application”

- (2) SF-1199A, “Direct Deposit Sign-Up Form”
- (3) Form NRCS-CPA-1155, “Conservation Plan or Schedule of Operations”
- (4) Form NRCS-CPA-1202, “Conservation Program Contract”
- (5) Appendix to Form NRCS-CPA-1202, “Conservation Program Contract”
- (6) Conservation plan and plan map that contains a record of the participant decisions and includes the schedule of new conservation practices or conservation activities to be installed.
- (7) Form NRCS-CPA-1156, “Revision of Plan/Schedule of Operations or Modification of a Contract”
- (8) Form NRCS-CPA-152, “Conservation Program Contract Transfer Agreement”
- (9) Form NRCS-CPA-1245, “Practice Approval and Payment Application”
- (11) Any other documentation as determined by the State conservationist.

Note: Refer to subpart O, exhibit 530.142B, for other documents that may be maintained electronically in the appropriate business tool.

Note: It is not necessary to routinely scan and save copies of handwritten conservation assistance notes to the electronic case file; however, options for electronically recording and saving conservation assistance notes exist in applicable business tools.

C. Contract Appendix

- (1) By entering into the contract, the participant and NRCS agree to the terms and conditions in the general and supplemental provisions of the contract appendix.
- (2) The general provisions provide the terms and conditions applicable to all financial assistance programs contracts.
- (3) The supplemental provisions provide program-specific requirements.
- (4) NRCS may provide applicants with a copy of the appendix for awareness of program requirements at the time of application; however, the participant must only sign the contract appendix after contract approval. Refer to section 530.41D(3).

D. Contract Document Distribution.—Contract documents must be distributed as follows.

- (1) The office that administers the contract must maintain the contract documents according to section 530.42A and B.
- (2) NRCS must provide a copy to the participant designated as decision maker for the contract.
- (3) NRCS may provide copies to other participants who are signatory to the contract, if requested.

E. Filing and Disposition

Title 120 General Manual, Part 408 “Records,” Subpart D “Records Guide,” and National Instruction Title 120 Part 357, “Disposition of Land Treatment Program Contract Documents,” contain program contract filing and disposition policy. The records guide and the national instruction provide detailed disposition information for—

- (i) Completed, expired, canceled, or terminated program contracts after final payment.
- (ii) Original signed copies of all canceled, deferred, disapproved, or ineligible applications.

- (iii) Records relating to policy, procedure, and implementation of the conservation program, such as ranking criteria, cost lists, payment schedules, and general operating instructions for a given year.

530.43 Contract Requirements

A. General

NRCS will administer all contracts according to program statute and regulation, other applicable federal law, regulation, and agency policy, departmental regulations, and other requirements specified in the contract appendix.

B. Contract Period

- (1) The contract starts when the NRCS approving official signs Form NRCS-CPA-1202 to obligate the funds.
- (2) The contract shall have a term not to exceed the regulatory contract length; however, the expiration date must be after the date the last conservation practice or activity is scheduled in the contract. Refer to the appropriate program-specific subpart for the regulatory contract length for each program.
- (3) The contract expiration date will be displayed on Form NRCS-CPA-1202, Form NRCS-CPA-1155, and Form NRCS-CPA-1156.
- (4) The state conservationist may establish an expiration date several years after the scheduled date of the last practice, not to exceed regulatory limits, for certain conservation practices that have a long lifespan and high cost. This provides NRCS more time to monitor the contract and ensure the participant performs required operation and maintenance to protect federal investment in these conservation practices.
 - (i) When using this provision, state conservationists must issue guidance through a bulletin, supplement to the manual, or other state directive that identifies the applicable conservation practices and the required contract length to ensure consistent treatment of all participants within the state.
 - (ii) Refer to subpart H, “Contract Reviews and Quality Assurance,” for guidance on annual contract reviews.

C. Program Implementation Requirements

- (1) Participants must follow the contract requirements in the contract appendix and implement conservation practices or activities according to the schedule of operations.
- (2) The participant may implement the scheduled conservation practices or activities ahead of schedule. However, payments for items completed ahead of schedule are subject to annual funding and program payment limits if they exist. Refer to the program-specific subparts of this manual for more guidance.
- (3) If the participant is behind schedule implementing conservation practices or activities, or otherwise not in compliance with the provisions of the contract, follow guidance in subpart I, “Contract Violations” of this manual.
- (4) States may notify participants of the items scheduled for completion in the current year using subpart O, exhibit 530.141G, “Annual Schedule of Operations Letter.”

D. Contract Completion and Expiration

- (1) Although contracts may show as “completed” in the business tools once the participant has successfully installed or implemented all scheduled conservation practices and activities, the contract remains active until the expiration date.
- (2) If an expired contract has an incomplete item, NRCS must determine whether the participant completed the item before contract expiration and earned a payment or whether NRCS must deobligate the funds. With proper contract administration, contracts should not expire with open obligations.
- (3) The contract ends once it passes the expiration date and neither the participant nor NRCS has any further responsibilities under the contract.

Part 530 – Working Lands Conservation Programs Manual

Subpart F – Payments

530.50 Payment Requirements

A. This subpart provides policy related to payment requirements for conservation program payments. NRCS approves conservation program payments to participants upon satisfactory implementation of contracted conservation practices or activities.

B. Direct Deposit

- (1) NRCS requires direct deposit for all program payments per the Omnibus Consolidated Rescissions and Appropriations Act of 1996 unless the participant requests a waiver as described in “Management of Federal Agency Disbursements” under 31 CFR § 208.4(a).
- (2) The National Finance Center (NFC) will establish vendor records based on a participant-invoked hardship waiver for a one-time payment waiver. After payment with the one-time payment waiver, NFC deactivates the vendor file. Participant must complete and sign Form NRCS-FNM-60, “Electronic Funds Transfer (EFT) Hardship Waiver Request,” available in USDA eForms, to invoke a direct deposit hardship waiver. NRCS will then establish the direct deposit waiver within the business tool vendor screen before approving the payment. Refer to subpart O, exhibit 530.144A, “Summary of Forms Used.”

C. Immediate Pay

NRCS processes all conservation program payments as “immediate pay.” These payments are not subject to the Prompt Payment Act, 31 U.S.C. §§ 3901 to 3907. Participants typically receive payment within 5 business days after NRCS approves the payment.

D. Internal Revenue Service (IRS) Reporting

- (1) The NFC reports payments made to participants to the IRS on Form 1099-MISC. Section 126 of the Internal Revenue Code of 1954, as amended (26 U.S.C. § 126), provides that certain payments made to persons under conservation programs may be excluded from the recipient’s gross income for federal income tax purposes. IRS Publication 225, “Farmer’s Tax Guide,” provides information about eligible conservation programs under “Soil and Water Conservation Expenses.”
- (2) NRCS employees must not advise participants on the tax implications of conservation payments.
- (3) Title 180 General Manual, Part 403 “Federal Tax Treatment of Soil and Water Conservation Expenditures under 26 U.S.C. 175,” contains NRCS policy related to 26 U.S.C. § 175.

E. Payment Limitations

- (1) Contracts enrolled under the 2018 Farm Bill are subject to contract and payment limitations described in the program-specific subparts of this manual. For previous

- Farm Bill contract payment limitation information, refer to the policy manuals in place at the time of contract obligation.
- (2) If applicable, the contracting tool automatically reduces payment amounts at the time of payment to enforce statutory payment limitations. Form NRCS-CPA-1245, “Practice Approval and Payment Application,” reflects any reduced payments. Refer to exhibit 530.143K, “Business Tools Quick Reference,” for a list of applicable business tools.
 - (3) Technical assistance payments for technical service providers (TSP) do not count against programmatic payment limitations or the contract limitations.
 - (4) When NRCS approves a contract with a legal entity as a contract participant, NRCS will make payments to the legal entity based on the entity’s contracted payment shares. For payment limitation purposes, NRCS attributes payments to both the legal entity and to eligible entity members according to the ownership share filed with the Farm Service Agency (FSA) on Form CCC-901, “Member’s Information,” or Form CCC-902E “Farm Operating Plan for an Entity.” The legal entity is responsible for distributing payments to its members.
 - (5) Unless otherwise authorized in the program-specific subparts of this manual, states do not have authority to establish payment or contract limits.

F. Payment Rates

Refer to subpart B, section 530.13, “Program Payment Schedules,” for information on establishing payment rates.

G. Payment Caps

- (1) States may use payment caps to limit—
 - (i) A practice payment if the participant receives payment from another USDA program.
 - (ii) Payments to producers who would otherwise exceed contract limits. The field office should work with the producer to identify which contract items to cap. During the contract period, it may be necessary for the field office to adjust payment caps based on changes made to the contract items during payment certification or through contract modification. The field office must modify the contract to adjust the payment cap in the applicable business tool.
- (2) States may not establish a maximum payment cap for any contract except as authorized by specific programs.
- (3) Refer to the program-specific subparts for additional payment cap guidance.

530.51 Processing Payment Applications

A. Once the participant notifies NRCS of the completion of a conservation practice or activity, NRCS must take the following actions.

- (1) Complete the conservation practice or activity checkout and documentation, as required in Title 450 General Manual, Part 407 “Documentation, Certification, and Spot Checking.” NRCS must certify and document the actual extent performed in the applicable business tool that records the certification on Form NRCS-CPA-1245

Note: Certified quantities resulting in payment increases of less than \$1,000 per contract item may not require a modification.

Note: When NRCS certifies items for less than the planned amount, the remaining funds will be deobligated from the contract.

- (2) Before generating Form NRCS-CPA-1245, verify the participant's name, address, payment shares, signatory authority, and direct deposit information.
- (3) Obtain the participant's signature on Form NRCS-CPA-1245, including for payments for participant-acquired TSP services included in the contract.

Note: When a TSP completes technical assistance, the participant must provide NRCS with required supporting documentation, including invoices from the TSP, to receive payment for contracted technical assistance items.

Note: Before approving payment for TSP technical assistance items, NRCS must confirm that the TSP was certified and registered according to subpart E, section 530.40C, at the time the TSP provided the technical assistance.

- (4) NRCS must complete a second-level review of all payments using the "Payment Review Checklist" in subpart O, exhibit 530.142C, or an equivalent state checklist, prior to approving the payment. Refer to subpart A, section 530.2, "Responsibilities."
- (5) The NRCS official with the appropriately delegated authority approves the payment in the applicable business tool. The field office must maintain the NRCS-CPA-1245 with the approving official's signature according to subpart E, section 530.42, "Contract Components," for audit purposes. Participants do not sign this version of the form, but the participant's signature page along with the electronic signature of the NRCS approving official become the complete document.
- (6) Under limited circumstances, NRCS may approve a payment for a conservation practice or activity that is destroyed due to a natural disaster or by vandalism before NRCS is able to evaluate and certify that the participant completed the conservation practice or activity in accordance with NRCS technical requirements. In these cases, the NRCS approving official must carefully evaluate the circumstances and any available supporting documentation before approving a payment, such as invoices for materials or services and any onsite indications of practice completion. States should consult with national headquarters (NHQ) if they need additional guidance.

B. Receipts

- (1) NRCS makes conservation program payments based on payment rates as described in subpart B, section 530.13, "Program Payment Schedules."
 - (i) NRCS does not require the participant to provide receipts or bills when using payment rate or flat rate methods.
 - (ii) NRCS may request receipts to support the certified quantity of an installed conservation practice or activity or to assess the need for adjustments to the current cost data. NRCS will not file receipts collected for the latter purpose in the contract case file.
- (2) NRCS requires receipts for TSP 900-series TA items.

C. Use of Other Funds

- (1) A participant is not eligible for payments for conservation practices or activities if the participant is receiving payments or other benefits under any other conservation program administered by USDA for the same practice or activity on the same land. NRCS field personnel must monitor payment activity across all programs to ensure that there are no duplicate payments across NRCS programs.
- (2) Refer to the program-specific subparts of this manual for guidance related to potential reduction in NRCS funding due to the participant receiving funds from other USDA programs.
- (3) Participants must certify on Form NRCS-CPA-1245 that they have not received other USDA funds for the completion of the conservation practice or activity.

530.52 Payment Types

A. Conservation Practice or Activity Payments

NRCS approves conservation practice or activity payments once NRCS certifies that the completed contract items meet required technical criteria and that the participant installed them according to the design, job sheet, guide sheet, and other relevant guidance. Refer to program-specific subparts for more payment guidance.

B. Incremental Payments

NRCS may make incremental payments to help participants break a large conservation project into smaller units when each completed unit independently meets the NRCS standards and specifications. If these smaller units are not set up during the initial planning phase, NRCS may need to modify the contract to create two or more contract items following subpart G, section 530.60, “Contract Modifications,” to make payments for the completed units. For example, NRCS may modify a contract that includes one contract item for 100 acres into two 50-acre contract items to make payments for each unit separately, provided the individual contract items can function independently.

C. Partial Payments

NRCS prohibits partial payments and cannot make payments to a participant for individual components or anything less than a complete conservation practice or activity.

D. Advance Payments

NRCS may issue advance payments, as authorized, before the practice is implemented to help offset costs related to purchasing materials or contracting services. Advance payments are only authorized for Environmental Quality Incentives Program (EQIP) contracts with historically underserved participants. Refer to subpart R, “Environmental Quality Incentives Program (EQIP).”

E. Annual Payments

- (1) Annual payments are payments NRCS makes once during a fiscal year. Refer to subparts Q, “Conservation Stewardship Program (CSP),” and R, “Environmental Quality Incentives Program (EQIP),” for more payment guidance.
- (2) Annual payments may be based on participant’s self-certification on Form NRCS-CPA-1245 and the designated conservationist’s verification of supporting data.

F. Technical Assistance Payments

Participants may be eligible to receive payments for using a TSP for the design, installation, or checkout of contracted conservation practices or activities. Refer to subpart E, section 530.40C, for more information about using a TSP for technical assistance.

G. Payments to Deceased and Incapacitated Participants

- (1) NRCS can make payments to a deceased or incapacitated participant if the participant had completed a conservation practice or activity and the participant or someone with a valid power of attorney (POA) had signed Form NRCS-CPA-1245 before the participant's death or incapacitation. Refer to subpart O, exhibit 530.143F, "Diagram for Deceased or Incapacitated Participants," for guidance related to requesting a deceased participant override to process the payment.
- (2) When NRCS determines that the participant was eligible and had completed the conservation practice or activity according to applicable standards, specifications, and site-specific designs before death or incapacitation, but had not yet signed the NRCS-CPA-1245, NRCS must identify who is authorized to act on behalf of the deceased or incapacitated participant before processing the payment.

Note: All POAs expire upon the death of the person assigning the POA.

- (i) The estate or authorized representative may sign on behalf of the participant if such person is identified by state law in a court-approved document or a will. The term "estate" also refers to heirs where the law allows them to receive the payments. Refer to 7 CFR § 707.3, "Death," for acceptable order of precedence. The state office may consult with the Office of General Counsel (OGC) as necessary to determine who may act on behalf of the deceased participant.
 - (ii) There is no time limit for making a proper payment when accommodating the establishment of an estate or other authorized representative when a participant is deceased. The NRCS field office must always notify the second-level reviewer when a participant has died so that the second-level reviewer can verify that a payment is proper. Following normal annual contract review requirements, the NRCS field office must document the death of the participant upon notification and no later than one year after death.
- (3) NRCS cannot make payments to a deceased participant when the participant did not complete a practice or activity before death or incapacitation. However, an estate representative or surviving spouse or heir may complete the conservation practice or activity within the same fiscal year that the participant died or became incapacitated. Per 7 CFR § 1400.210, "Deceased and Incapacitated Persons," the estate representative may be authorized to act on behalf of the deceased participant for the rest of the fiscal year and may qualify as an eligible transferee in the fiscal year following the participant's death or else transfer the contract to an eligible transferee within 60 days of the new fiscal year. Refer to subpart O, exhibit 530.143L, "Table for Deceased or Incapacitated Participants," for guidance. Follow policy in subpart G, "Modifications," to determine transferability of the contract. Regardless of whether the estate or other transferee assumes responsibility under the contract, the

transferee and NRCS must execute a contract modification using Form NRCS-CPA-152, “Conservation Program Contract Transfer Agreement.”

- (4) If the participant is either a legal entity or joint operation with an employer identification number and one of its members dies before a payment is made, NRCS follows the determinations made by FSA under 7 CFR pt. 1400. The deceased member must have been a valid member of the entity or joint operation for payment purposes in the fiscal year the payment was earned. The legal entity or joint operation must update its records with FSA to receive subsequent payments for a practice or activity completed after a member’s death.
- (5) Documentation Requirements.—NRCS must use subpart O, exhibit 530.144C, Form NRCS-CPA-125, “Application for Payments to Deceased or Incapacitated Participant,” to document who is requesting the payment and is authorized to act on behalf of the deceased participant. The authorized representative must submit supporting documentation which may include a will, trust documents, court order, or other legal document. NRCS uses these documents and OGC advice, if applicable, to validate who is authorized to receive the payment. NRCS must keep copies of any documentation in the case file. Refer to subpart O, exhibit 530.143F, “Diagram for Deceased or Incapacitated Participants,” and exhibit 530.143L, “Table for Deceased or Incapacitated Participants.”

Note: NRCS only requires Form NRCS-CPA-125 when the deceased participant earned a payment, not for transfers where proper documentation exists.

Note: A special payment may be needed in situations where a deceased participant’s payment is requested by an authorized representative who is not and will not become a successor to the deceased participant’s contract. Refer to section 530.52H(2) for special payment guidance.

- (6) When NRCS makes payments from a deceased participant’s contract to a successor, these payments will not count toward the successor’s payment limitation balance. Successors may request a special payment consistent with section 530.52H(2) for inherited contract payments if the successor has other program contracts to avoid an erroneous payment limitation reduction due to the inherited contract.
- (7) If NRCS transfers a contract due to the death of a program participant, the successor cannot receive payments that exceed the amount the deceased participant would have been entitled to receive.

H. Special Payments

- (1) Special payments occur when NRCS cannot make payments following normal procedures. Special payments must comply with program statutory and regulatory payment limitation requirements. Refer to subpart O, exhibit 530.143B, “Indicators of Erroneous Payment,” for a list of erroneous payment indicators.
- (2) Types of Special Payments.—There are five types of special payments encountered in program contracts:
 - (i) Erroneous Underpayment.—Covers situations in which NRCS has already approved payment, but the participant did not receive all or a portion of the payment. It also includes miscalculations of units or extent planned or implemented and software errors causing an erroneous payment reduction.

Erroneous underpayment does not include situations in which there is no contractual obligation for payment or the payment requested is out of the scope of the contract.

- (ii) **Judicial or National Appeals Division (NAD) Directive.**—A final judicial decision (in federal court) or NAD determination directs the agency to issue a payment in an amount or for a purpose not authorized in a participant’s contract. NRCS must have the final NAD determination or judge’s order directing NRCS to issue a payment before submitting a special payment request. The only supporting documentation required for this type of request is the final NAD determination. Refer to section 530.52H(3).
- (iii) **Equitable Relief.**—Applicable to program applications or contracts in which the state conservationist, NRCS Chief, or NAD director has approved equitable relief in accordance with 7 CFR pt. 635 and Title 440 Conservation Programs Manual, Part 509 “Equitable Relief From Ineligibility for Conservation.” The equitable relief determinations must be approved before submitting a special payment request. The only supporting documentation required for this type of request is the final equitable relief determination. Refer to section 530.52H(3).

Note: If NRCS or NAD granted equitable relief for reapplication of failed conservation treatment according to subpart G, section 530.64, “Reapplication of Failed Conservation Treatment,” the participant must install the conservation treatment according to NRCS standards and specifications before requesting the equitable relief special payment through the applicable business tool.

- (iv) **Payment Owed to Deceased Participant.**—Applicable when an authorized representative requests a payment owed to a deceased participant and the payment meets the condition in section 530.52G(2). States must review the deceased participant policy in sections 530.52G and 530.60D(4) to determine if a special payment is needed. States must ensure these requests are within agency authority and that adequate supporting documentation, including a justification for the need of a special payment, confirmation that NRCS certified completion of the contract items according to NRCS requirements, and a signed form NRCS-CPA-125, is in the document management system. Refer to section 530.52G(5) for documentation requirements.

Note: This type of special payment is available if the authorized representative is not requesting to transfer the contract or if NRCS determines a special payment is needed to avoid unnecessary delays processing the payment.

Note: NRCS does not need to wait for the probate process to be complete if there is sufficient documentation that the authorized representative has authority to sign on behalf of the deceased or OGC opinion has been obtained confirming valid authority to sign.

- (v) **Other Circumstances Approved by the deputy chief for Programs or designee.**—All other circumstances where a special payment is required, such as incorrect obligation or other legitimate errors and omissions from NRCS or the participants.
- (3) Submitting Special Payment Requests

- (i) For all special payment requests, the state office must submit the request using the designated SharePoint. Refer to National Instruction Title 440 Part 311, “Submitting and Processing State Requests using the Financial Assistance Programs Division (FAPD) SharePoint Site,” for instructions on special payment submission.
- The state must—
 - Include a detailed explanation of why the state is requesting a special payment,
 - Obtain state conservationist concurrence, and
 - Include the amount requested and nature of the request.
 - In addition, the state must upload supporting documentation to the document management system, including—
 - The contract signature page from Form NRCS-CPA-1202, “Conservation Program Contract;” Form NRCS-CPA-152, “CPC Contract Transfer Agreement;” or Form SF-1199A, “Direct Deposit Sign-up Form;”
 - Final equitable relief or NAD determination, if applicable; signatory documents; OGC opinion, if applicable; and
 - Any other documents determined necessary by the state or requested by NHQ.
 - States must follow state-level policy for documenting state conservationist concurrence.
- (ii) NHQ staff must—
- Verify that the state cannot process the payment request through the applicable business tools. If the state can process the request in the applicable business tool, NHQ will return that request with instructions.
 - Verify the adequacy of documentation supporting the payment request, as outlined above in section 530.51, “Processing Payment Applications.”
 - Process erroneous underpayments, judicial or NAD directives, equitable relief special payment requests, and payments owed to deceased participants. In such circumstances, the deputy chief for Programs delegates this authority to the Financial Assistance Programs Division (FAPD) branch chiefs to review the recommendation and decide whether to approve the special payment request.
 - Review and make a recommendation for special payment requests that fall under “other circumstances approved by the deputy chief for Programs” to the deputy chief for Programs. The deputy chief for Programs or designee will review the recommendation and decide whether to approve the special payment request.
 - If the branch chief or deputy chief for Programs approves the request, NHQ staff must enter a new special payment contract item in the contract and notify the state that the payment can be completed using conventional payment processes for the special payment item.
 - In some cases, process a special payment outside of the contracting tool. For these cases, NHQ staff will provide states with instructions on how to request assistance with the payment.

- (iii) FAPD will upload a copy of the signed special payment approval document to the designated SharePoint once it is completed. States will then print the signed special payment document and follow the payment instructions listed on the document. States must maintain a copy of the signed document in the case file.
- (iv) States must maintain records for all special payments processed outside of the contracting tool to ensure they do not violate the applicable program maximum payment limitation.

I. Payment Assignments

(1) Assignment Process

- (i) Any participant (assignor) receiving contract benefits may assign payments to another individual or business (assignee) by filing Form CCC-36, “Assignment of Payment,” with NRCS. Form CCC-36 is used by FSA and NRCS, and states can access it on eForms or in subpart O, exhibit 530.144B.
- (ii) The contract participant is responsible for providing the direct deposit information for an assignee. NRCS reports payments made to an assignee to the IRS as if they were made to the assignor, and all assigned payments count toward the assignor’s payment limitation.
- (iii) Only the assignee can revoke a signed assignment of payment.

Note: Refer to subpart O, exhibit 530.143H, “Assignment of Payment to FSA,” for more instructions on completing Form CCC-36.

Note: NRCS will honor previous assignments made on Form NRCS-CPA-1236 prior to March 2020.

(2) Amount and Timing of Assignments

- (i) Participants authorize assignments as a fixed dollar amount that remains in effect until either that amount is disbursed to the assignee or the assignment is revoked by written request signed by the assignee. Assignments may be established any time after contract obligation, including when a participant requests payment.

Note: Assignments are dollar-specific, not contract item-specific. Recording assignments before certifying the specific contract item may result in payments for other contract items being processed to the assignee. If the participant wants to assign payment for a specific conservation practice or activity (for example, “irrigation system, sprinkler”) in a contract containing multiple conservation practices or activities, enter the payment assignment before processing the payment application.

- (ii) NRCS must review each payment application that includes an assignment to verify the accuracy of all information, including the payment amount, and that it has not been revoked.

(3) Number of Assignments

There is no limit to the number of assignments a participant can make on a contract. Assignments are only limited by the dollar amount in the contract. NRCS makes payments to assignees based on effective date of the assignment or, in the case of

multiple assignments with the same effective date, the order the assignments are entered into the business tool.

530.53 Disapproval of Payment Applications

Payment applications that are incomplete or incorrect will be rejected by the second-level reviewer. If this occurs—

- (1) The second-level reviewer must notify the designated conservationist or program support specialist of the deficiencies.
- (2) The designated conservationist must—
 - (i) Obtain and submit additional documentation requested by the second-level reviewer.
 - (ii) Undo certification of the payment application in the business tool if changes are needed.
 - (iii) Correct deficiencies in the payment application.
 - (iv) Notify the participant and obtain new signatures on the NRCS-CPA-1245.
 - (v) Reapprove the payment application.

530.54 Payments Not Authorized

A. Payment is not authorized for conservation practices or activities for which there is no contractual obligation in the contract document, unless NHQ approves a special payment on a case-by-case basis.

B. Participants will be notified in writing of payments that are not authorized. Payments will not be authorized for any of the following.

- (1) Implementation that does not meet NRCS standards and specifications for completed conservation practice or activity. Refer to subpart D, section 530.31, “Planning,” for guidance on planning conservation practices and activities.

Note: The participant must be informed in writing of the actions required to correct the deficiencies (refer to subpart I, “Contract Violations”). Form NRCS-CPA-153, “Agreement Covering Non-Compliance with Provisions of Contract,” may be used for this purpose.

- (2) Conservation practices or activities started before the contract was obligated, unless a waiver was approved according to subpart C, section 530.23B, “Early Start Waiver.”
- (3) Conservation practice or activity started before the contract was modified to add the new or substitute conservation practice or activity, including services of a TSP.
- (4) Any payment application that would result in duplicate payments.
- (5) A financial assistance payment that would result in total payments exceeding the program contract or applicable payment limitations.
- (6) Conservation practices or activities that are completed after the expiration date.
- (7) Reapplication of a failed conservation practice or activity that is still within its lifespan where the participant failed to comply with required operation and maintenance. For exceptions to this policy, refer to subpart G, section 530.64.

C. Exceptions apply to conservation practices or activities that failed due to no fault of the participant. Refer to section 530.51A(6) above, and subpart G, section 530.64 of this manual.

Part 530 – Working Lands Conservation Programs Manual

Subpart G – Modifications

530.60 Contract Modifications

A. General

- (1) This subpart provides policy related to contract modifications applicable to all programs. Refer to the applicable program-specific subpart and business tools guides for more guidance. Subpart O, exhibit 530.143K, “Business Tools Quick Reference,” provides the list of applicable business tools.
- (2) Contract modifications change an existing contract but keep the overall purpose and original intent. Changes to a contract must be consistent with the program purpose and may be necessary due to conservation practice or activity design changes, management changes, land transfers, or other operational changes that would otherwise interfere with achieving the purposes of the program.
- (3) Field offices should work with a participant to modify contracts as needed to preempt contract violations.
- (4) A concise but complete summary of the changes made when modifying the contract must be included in the modification basis section of Form NRCS-CPA-1156, “Revision of Plan/Schedule of Operations or Modification of Contract.”
- (5) The NRCS designated approving official must approve the modification before a participant begins work related to the modification, except as allowed under section 530.61. The effective date of a contract modification is the date it is electronically signed by the NRCS approving official.
- (6) When completing a modification, planners do not need to re-rank the contract. However, states must continue to follow applicable policy in determining whether a modification is appropriate.
- (7) States must use exhibit 530.142F, “Modification Checklist,” or state-equivalent before approving a modification. State conservationists may decide who is responsible for completing the modification checklist consistent with state delegations for processing contract modifications.

B. Acceptable and Unacceptable Contract Modifications

- (1) Contracts allow participants to address identified resource concerns through the implementation of conservation practices or activities in a cost-effective manner. NRCS may approve contract modifications when the modification is within the objectives of the original contract. This determination is based upon three closely related considerations: whether the original need for the contract remains, the agency purpose for the contract is the same, and the modified contract has the same objectives as the original contract. Examples of acceptable modifications include, but are not limited to—
 - (i) Extending the contract period within the program regulatory contract length in the applicable program-specific subparts of this manual, if mutually agreed to by the participant and NRCS.
 - (ii) Correcting an error to accomplish the objectives of the original contract.

- (iii) Adjusting the schedule of operations due to operational or design changes.
- (iv) Removing land no longer under the control of the participant, provided that the original objectives and minimum program requirements continue to be met.
- (2) NRCS may not approve a contract modification if the modification is not within the objectives of the original contract as described above. Unacceptable modifications are outside of the original objectives of the contract if they add land, substantially change contract requirements, or change or add resource concerns that are not necessary to meet the original objectives of the contract. Examples of unacceptable modifications include, but are not limited to—
 - (i) Deleting contract items for reasons other than as allowed by policy in section 530.60D(2) below, or repeatedly rescheduling contract items to avoid a contract violation.

Note: Rescheduling contract items to avoid loss of payments due to violation of highly erodible land conservation (HELC) and wetland conservation (WC) compliance provisions is unacceptable. Refer to subpart I, “Contract Violations,” for more guidance.

- (ii) Changing payment share distribution to avoid payment limitations.
- (iii) Changing the cost list or payment schedule scenario associated with a contract item to the current fiscal year’s cost list or payment schedule unless authorized by program-specific requirements.
- (iv) Approving multiple minor modifications to avoid the review process for modifications requiring NRCS approving official’s signature. Refer to section 530.60C, “Minor and Major Modifications.”
- (v) Adding newly acquired or eligible land to a contract. This includes adding transferred acres to an existing contract. To maintain the contract’s fund integrity, transferred acres and conservation practices or activities that need to be implemented on those acres must be maintained in a separate contract. Refer to section 530.60D(4)(ii) for transfer of land guidance.

C. Minor and Major Modifications

- (1) Minor Modifications.—There are two types of minor contract modifications:
 - (i) Administrative modifications that do not change the obligation amount. Modifications of this nature are in accordance with the planned objectives of the contract and do not change the participant’s responsibility. This includes, but is not limited to, changes to livestock or crop type and bank account information.

Note: NRCS does not require the participant’s signature on Form NRCS-CPA-1156 when the change does not affect the participant’s responsibilities under the contract.

Note: See subpart H, section 530.70D for guidance on FSA farm and tract reconstitutions.
 - (ii) Minor changes that increase the current obligation by \$1,000 or less per contract item at time of payment. NRCS will record these minor modifications in the applicable business tools and document them on Form NRCS-CPA-1245, “Practice Approval and Payment Application.”

(2) Major Modifications:

- (i) Major modifications are changes made to a contract that change the participant responsibilities under the contract.
- (ii) Major modifications require the signatures of the participant and an NRCS approving official on form NRCS-CPA-1156.
- (iii) Examples of major modifications include, but are not limited to, rescheduling a contract item, adding or deleting a contract item, removing acres no longer under the participant's control, transferring land under contract, correcting an error or omission that changes the responsibilities of the participant, extending the contract period, and changing payment share distributions.

Note: Refer to subpart I, section 530.82B for guidance on contracts with items 1 year behind schedule.

D. Modification Reasons

(1) Adding a Contract Item

- (i) A new contract item may be added to substitute a conservation practice or activity if an originally scheduled item cannot address the original resource concerns or maintain performance levels as determined at the time of obligation.
- (ii) A new contract item may be added to correct an error made at the time of obligation.
- (iii) A new contract item may be added to authorize the participants to use the services of a technical service provider before beginning any work. Refer to subpart E, section 530.40C for more guidance related to using technical service providers.

(2) Deleting a Contract Item

- (i) Contract items may be deleted for reasons that are not averse to the Government's interest and the conservation objectives.
- (ii) Contract items may be deleted if the conservation practice or activity is not technically feasible or necessary to address the resource concern or there is no substitute conservation practice or activity that is feasible.

(3) Adding or Removing Land

- (i) Under limited circumstances, adding land to a contract may be authorized if needed to correct an error or to otherwise accomplish the objectives of the original contract.
- (ii) If the participant loses control of some of the land in the contract, the land lost and associated conservation practices or activities must be removed from the contract unless there is an eligible transferee willing to assume the contract responsibilities for such acres. Refer to section 530.60D(4) for land transfer guidance.
- (iii) Loss of control includes changes in a participant's ownership structure or corporate form that results in a change in the tax identification number or other unique identifier. In this case, participants must comply with the notice and transfer provisions included in this section.

Note: If the participant's tax identification number has not changed, then no change has occurred in the nature of the participant's interest in the acreage under the contract including control of the land.

(4) Land Transfers

- (i) Land transfers are permitted when all parties agree to the transfer terms. If the participant loses control of all or part of a land unit under contract, one or more eligible transferees may assume the responsibilities of the contract with respect to the lost acreage. Refer to section 530.62E for documentation requirements.

- (ii) There are two types of land transfers—entire or partial contract assumption.

- For entire contract assumptions, the existing contract number and period of performance will not change.
- For partial contract assumption, the description of the acreage transferred and all conservation practices or activities to be carried out by the transferee must be included in a new application and contract. Also, the transferee must maintain all conservation practices or activities previously installed on the transferred land.

Note: A new contract will be created for the remaining years of the original contract.

Note: The transferee may change the scheduled dates for the assumed conservation practices or activities in accordance with program-specific requirements.

Note: When NRCS approves a contract transfer, the transferee accepts all rights and responsibilities, including the right to payment.

- (iii) Notice and Transfer Provisions

- The participant must notify NRCS of any transfer of the participant's interest in the land under the contract and identify a potential transferee within the time specified in the contract appendix. If the participant notifies the Farm Service Agency (FSA) of the transfer of interest, NRCS may accept this as timely notification if it is received by FSA within the timeframe specified in the contract appendix. If the participant does not identify a transferee when notifying FSA, NRCS must give an opportunity to promptly identify a transferee.
- NRCS requires written notice such as email, formal letter, or FSA records, or must document any verbal notification in the conservation assistance notes.

- (iv) If the participant fails to notify NRCS of the loss of control of land within the required timeframe, refer to subpart I, "Contract Violations."

- (v) NRCS will follow up with the transferee as designated by the participant to make eligibility determinations. The transferee must meet eligibility requirements for the fiscal year the transfer is approved and must meet program-specific payment limitation requirements to be a program participant. If the transferee is ineligible at the time of the transfer request, NRCS will provide written notice to the transferee allowing up to 30 calendar days to file the necessary eligibility forms. Refer to subpart O, exhibit 530.141C, "Intent to Proceed Letter," and exhibit 530.142E, "Conservation Program Application Checklist."

- (vi) Transferees are not a program participant until NRCS approves the contract transfer. Therefore, transferees are not eligible for payment for conservation practices or activities they complete until after NRCS approves the contract

transfer. Work completed by the estate or authorized representative of a deceased participant may be eligible for payment as stated in 7 CFR pt. 1400 and subpart F, section 530.52G, “Payments to Deceased and Incapacitated Participants,” of this manual.

- (vii) All terms and conditions of the contract appendix signed at the time of original obligation continue to apply for successors in interest to all contracts. The date of succession to the contract determines the program year to be listed on the applicable adjusted gross income (AGI) certification form. The AGI form must be filed for the transferee in the year of the contract transfer. Use the AGI form applicable for the original year of contract obligation. Refer to subpart C, section 530.22C for more AGI guidance.
- (viii) Deceased or Incapacitated Participants
 - Upon learning of a participant becoming deceased or incapacitated, NRCS must notify the estate or other authorized representative of the existence of all active contracts. NRCS must provide the estate or authorized representative the full amount of time (as specified in the contract appendix) to request that the contract be transferred to an eligible successor or canceled. Refer to subpart O, exhibit 530.141Q, “Deceased Participant Notification Letter.”
 - If the estate or authorized representative fails to notify NRCS of their intent within the timeframe provided, NRCS will cancel the contract. Refer to subpart F, section 530.52G, “Payments to Deceased and Incapacitated Participants,” regarding payment eligibility.
- (ix) NRCS shall adjust the payment rates accordingly when transferring contracts from non-historically underserved to historically underserved producers and vice versa.

530.61 Contract Increases

A. Modifications that increase obligations by more than \$1,000 per contract item require a two-part review. The NRCS employee processing the obligation change is responsible for making the determination that the change is within the objectives of the original contract. This information is used by the state-designated second-level reviewer to ensure that the correct funding year is used, especially when annual or limited-use funds will be used.

B. NRCS may approve an obligation increase after the participant starts or completes a conservation practice or activity already in the contract when—

- (1) The additional extent of the same conservation practice or activity was unknown at the time of contracting, or
- (2) A new scenario within the same conservation practice or activity is needed to address the original resource concern.

Note: It is best to avoid this situation by making necessary modifications when the need becomes evident before starting a conservation practice or activity. However, the extent of certain conservation practices or activities such as a water well can be difficult to estimate in advance and may require a late modification. If late approval becomes necessary, states must follow all requirements for a minor modification,

major modification, or significant increase, as applicable. The approving official must carefully consider the validity of a late-processed modification.

C. Significant increases in contract obligations must be monitored to ensure the fairness of the basis for which the original contract was funded and otherwise to comply with restrictions on the use of federal funds. Contract modifications that exceed 20 percent of the original obligation or \$10,000, whichever is less, require the approval of the state conservationist or designee.

530.62 Documentation Requirements

A. Approved modifications are documented on Form NRCS-CPA-1156 and Form NRCS-CPA-152, “Conservation Program Contract Transfer Agreement,” depending on the type of changes made. The justification for modifying the contract must be clearly documented in the applicable business tool.

B. Participant signature on the NRCS-CPA-1156 must be consistent with signatures on the Form NRCS-CPA-1202, “Conservation Program Contract,” and NRCS-CPA-152.

C. NRCS must maintain two copies of the Form NRCS-CPA-1156 in the contract case file, one with the participant’s signature and one with the NRCS approving official signature indicating the date of obligation, according to subpart E, section 530.43, “Contract Requirements.” Participants do not sign this duplicate copy of the form. If NRCS approves a transfer agreement, the new participant must be provided with a copy of all contract documents.

D. Certain contract changes require supporting documentation before NRCS approving the modification. They are—

- (1) Contract Cancellation.—Requires participant’s written request.
- (2) Contract Termination.—Requires justification on Form NRCS-CPA-153, “Agreement Covering Non-Compliance with Provisions of Contract,” or other written notification from NRCS to the participant. Requires NRCS to provide formal documentation with appeal rights to the participant. Refer to subpart I, “Contract Violations,” for more guidance.
- (3) Reapplication of Failed Conservation Treatment.—Requires a technical trip report documenting information required in section 530.64.
- (4) Reactivating a Canceled or Terminated Contract.—Requires written justification from NRCS. The final determination of an appeal or mediation may serve as written documentation.

Note: Contracts reactivated by modification require a subsequent modification to add new obligations.

Note: State conservationists may only reactivate contracts as agreed to through mediation or appeal when: new information becomes available that changes the basis for the termination, to implement a National Appeals Division (NAD) determination, or to implement equitable relief.

Note: NRCS does not have the authority to reactivate an expired contract.

- (5) Changing Participant Direct Deposit Information.—The participant must submit a signed SF-1199A, “Direct Deposit Sign-up.”
- (6) Changing Contract Participants or Adjusting Participant Payment Shares.—Such changes must be documented on Form NRCS-CPA-152.

E. Documentation for Land Transfers

The transferee assumes all contract rights and obligations for the transferred acres by signing Form NRCS-CPA-152 and the original copy of the contract appendix which serve as the contract documents. Signatures from all participants receiving a payment share for the contract are required. Refer to subpart C, section 530.24, “Signature Authority,” for more guidance.

F. For situations where FSA changes the participant’s name or business type but the tax identification number remains the same, NRCS may document this change by completing Form NRCS-CPA-152 and have the participant sign as both transferor and transferee. This is not considered a change that requires new control of land verification.

530.63 Destruction of Conservation Practices or Activities under an Active Contract

A. NRCS Approval

NRCS may approve a contract modification to allow a contract participant to destroy a completed conservation practice or activity during the contract term that is within its lifespan if the participant replaces the destroyed practice with an equivalent conservation practice or activity at the participant’s own cost. The participant must first file a written request to the state conservationist and receive written approval before altering a conservation practice or activity implemented or maintained with NRCS’s financial assistance.

B. Before approval, the state conservationist must ensure that proposed actions will—

- (1) Achieve the contract conservation objectives.
- (2) Complete treatment actions without NRCS’s financial assistance within the term of the contract.

530.64 Reapplication of Failed Conservation Treatment

Requirements

- (1) Active or completed contracts may be modified to provide for reapplication of a financially assisted conservation practice or activity that was completed and failed, provided all the following conditions are met.
 - (i) Failure was caused by circumstances beyond the participant’s control, such as through natural disaster or vandalism, as documented in a technical trip report. Failure of a conservation practice or activity because of circumstances within the control of a participant, such as lack of required maintenance, constitutes a violation of the terms and conditions of the contract. Refer to subpart I, “Contract Violations,” for more guidance.
 - (ii) The contract has not expired.

- (iii) The payments do not exceed the applicable program payment limitations.
 - (iv) The participant meets all eligibility requirements.
 - (v) Program funding is available.
- (2) NRCS must add the reapplied conservation practices or activities to the contract through a modification.
- (i) For the 2008 Farm Bill and Agricultural Management Assistance Program (AMA) contracts, the new contract item uses the original fund source.
 - (ii) For the 2014 or 2018 Farm Bill contracts except AMA, NRCS may use the original or current year funds. AMA contracts will use the original fund source.
 - (iii) NRCS must reference the original contract item number in the “Basis for Modification” section of Form NRCS-CPA-1156.
- (3) NRCS requires a new contract for reapplication if the failed conservation practice or activity is part of an expired contract. Process an application and rank according to normal procedures. The program used to fund the new contract does not have to be the same as the original fund.
- (4) If equitable relief for the reapplication of a failed conservation practice or activity has been approved under 7 CFR pt. 635, “Equitable Relief from Ineligibility,” and payment is approved for up to 100 percent of the cost, the reapplication may be funded:
- (i) Through a new special payment obligation if the contract has not expired; or
 - (ii) With a new contract using current-year funds. Refer to Title 440 Conservation Programs Manual, Part 509 “Equitable Relief from Ineligibility for Conservation.”
- Note:** Contact national headquarters for assistance in implementing the equitable relief determination.
- (5) The state conservationist or designee must approve these modifications and the state conservationist cannot delegate this authority below the state program manager level.

Part 530 – Working Lands Conservation Programs Manual

Subpart H – Contract Reviews and Quality Assurance

530.70 General

- A. This subpart provides policy related to contract reviews and quality assurance.
- (1) Contract Reviews.—NRCS conducts contract reviews to ensure participants implement their contract consistent with the contract provisions.
 - (2) Quality Assurance.—NRCS conducts quality assurance activities during application evaluation and throughout the life of a contract to ensure compliance with program policy.
- B. The state conservationist must conduct contract reviews and quality assurance activities as part of an ongoing quality assurance process for all programs. Reports are available in the business tools to help states in identifying contracts for applicable reviews. Refer to subpart O, exhibit 530.143K, “Business Tools Quick Reference,” for a list of applicable business tools.
- C. States must keep copies of completed contract review and quality assurance checklists in the applicant or participant case file. This includes preobligation and payment checklists.
- D. Control of Land.—States must verify that the participant has control of the contracted land at the time of obligation. In addition, states must review control of land annually, which may occur at the time of annual contract review or before approval of a modification or payment. If needed, states may use subpart O, exhibit 530.141I, “Administrative Review Control of Land Letter,” to request information on control of land from the participant.

Note: When conducting a control of land review as part of the annual contract review, NRCS is only confirming that the participant has maintained control of the contracted land to date and is not required to verify that the participant has control of the land for the entire contract period.

- (1) States must document the information reviewed using applicable checklists, conservation assistance notes, or Form NRCS-CPA-13, “Contract Review.” NRCS does not need to retain copies of any documentation reviewed in the applicant or participant case file.
- (2) States should use Farm Service Agency (FSA) records, such as the Producer Farm Data Report, to verify the participant’s interest in the land as an owner, operator, or other tenant. In the absence of adequate FSA records, NRCS may use other reliable documentation such as survey maps, tax parcel data, official land use maps, and lease agreements to verify control of land.

Note: If FSA completes a reconstitution of a farm or tract, NRCS must ensure that the change does not adversely affect the control of land determination or payment amount. States are not required to execute a contract modification for the sole purpose of changing land unit labels.

- 3) States may choose to verify control of land more frequently if deemed necessary.

530.71 Review Types

A. Preobligation Reviews

- (1) States must complete the program-specific preobligation checklist or state equivalent at the field level for each application before the NRCS approving official obligates the contract. Refer to subpart Q, exhibit 530.320A, “CSP Preobligation Checklist;” subpart R, exhibit 530.420A, “EQIP Preobligation Checklist;” and subpart S, exhibit 530.520D, “RCPP Land Management and Rental Producer Contract Preobligation Checklist.”

Note: No preobligation review is required for Agricultural Management Assistance Program (AMA) contracts.

- (2) States must update any state-developed preobligation checklists whenever the national preobligation checklist is updated and must include, at a minimum, the items from the national program-specific checklists.
- (3) The state or area office must conduct preobligation quality assurance reviews for each funding period by reviewing at least three approved applications or 5 percent of the approved applications per field office, whichever is greater, unless otherwise required by the program-specific subparts of this manual.

B. Second-Level Reviews

- (1) The state-designated second-level reviewer ensures that the funds are within the period of availability and that there are enough funds to record the obligation. The second-level reviewer confirms that the correct funding year is used for modifications.
- (2) States also conduct second-level reviews to ensure that NRCS can approve a payment against an existing obligation. Refer to subpart F, section 530.51A(4) for more guidance on payment reviews.

Note: To ensure that a payment is proper, the field office must notify the second-level reviewer if the participant has died.

C. Administrative Review of Participant Certifications

- (1) Beginning in fiscal year 2024, states are no longer required to conduct a 5 percent random spot check on historically underserved participants’ self-certifications.
- (2) For the following certifications, states may review a participant’s self-certification when information indicates that the certification may be incorrect (see subpart C, section 530.21A(5) for more guidance).
 - (i) Limited-resource farmer or rancher.
 - (ii) Beginning farmer or rancher.
 - (iii) Veteran farmer or rancher.

Note: Do not attempt to verify a person’s self-certification as a member of a socially disadvantaged group as no verification process exists for this certification type.

Note: If a participant fails to provide adequate information for NRCS to verify eligibility as described in section 530.71C(2), refer to subpart I, “Contract Violations,” for guidance.

- (3) Definitions for these designations can be found in Title 440 Conservation Programs Manual, Part 502 “Terms and Abbreviations Common to All Programs,” Subpart A “Common Terms,” and on the NRCS-CPA-1200 instructions page available on eForms.

D. Annual Contract Reviews

- (1) NRCS must review all unexpired contracts at least annually and record findings in the case file and business tools, if applicable. At a minimum, NRCS must—
 - (i) Confirm that the participant still controls all land under contract and document the information reviewed using applicable checklists or conservation assistance notes.
 - (ii) Confirm that the participant has implemented conservation practices or activities as scheduled.
 - (iii) Confirm that the participant continues to maintain at least the benchmark level of treatment or performance levels agreed to at the time of obligation. Further guidance can be found in the program-specific subparts of this manual.
 - (iv) Discuss conservation practices or activities scheduled for upcoming implementation, any changes to extent, location, and implementation schedule, and any need for technical assistance.
 - (v) Determine whether the participant is implementing conservation practices or activities to comply with organic certification requirements, if applicable.
 - (vi) Review any special circumstances, such as waivers, that have been granted for adjusted gross income or payment limitations that require follow-up to ensure that the justification for the waiver has been adequately addressed in the implementation of the contract. NRCS will complete reviews to ensure the producer complied with the terms of the waiver.
- (2) If NRCS determines a contract is in noncompliance, including situations where a participant is off schedule in implementing planned conservation practices or activities, NRCS must complete Form NRCS-CPA-13. Refer to subpart I, “Contract Violations,” for more guidance. The form includes—
 - (i) Status of conservation practices or activities not completed.
 - (ii) Reasons for lack of progress.
 - (iii) Need for revision of the conservation plan and schedule of operations. Refer to subpart G, “Modifications,” or subpart I, “Contract Violations.”
 - (iv) Description of any potential violations of the terms and conditions of the contract.
- (3) States should complete reviews early enough in the fiscal year to allow time for NRCS or the participant to complete any necessary administrative or corrective actions before the end of the fiscal year.
- (4) If NRCS finds during the annual review that the participant provided information inconsistent with available FSA records, NRCS must document the findings in the case file and work with the FSA and the participant to resolve discrepancies.
- (5) States may use subpart O, exhibit 530.141G, “Annual Schedule of Operations Letter,” in addition to the annual contract review to notify participants of the items scheduled for completion during the current year and any conservation practices or activities that may be behind schedule.

E. Other Administrative Reviews

- (1) Advance Payments.—NRCS must follow up to confirm that the participant has expended the advanced funds within statutory requirements and is implementing those conservation practices consistent with the contract appendix and schedule of operations. Refer to subpart R, section 530.405, “EQIP Contracting and Contract Management,” for more guidance.
- (2) Payment Review.—Refer to subpart F, section 530.51, “Processing Payment Applications,” and subpart O, exhibit 530.142C, “Payment Review Checklist,” for more information.
- (3) Adjusted Gross Income Determination.—Refer to National Instruction Title 440 Part 308, “Adjusted Gross Income (AGI) Determination Changes for Programs Managed in ProTracts,” for instructions related to these determinations.

530.72 Quality Assurance

- A. The state conservationist is responsible for managing the state quality assurance process. State conservationists must develop a quality assurance plan and assign responsibilities to appropriate staff for monitoring and oversight of all applications and active contracts to ensure proper contract obligation and administration.
- B. Conservation treatment installed under contracts must be evaluated as specified in Title 450 General Manual, Part 407, “Documentation, Certification, and Spot Checking.”

Part 530 – Working Lands Conservation Programs Manual

Subpart I – Contract Violations

530.80 General

- A. This subpart provides policy for handling contract violations, canceling or terminating contracts, recovery of costs, assessment of liquidated damages, and debt collection.
- B. States should work with participants to manage contracts, including taking appropriate action to modify contracts before the participant becomes noncompliant. Refer to subpart G, “Modifications,” for more guidance.
- C. Contract violations may also be referred to as “noncompliance.” Contract violations occur when a participant fails to adhere to the terms and conditions of the contract.
- D. When NRCS determines that a participant has violated the contract terms, NRCS must provide a reasonable time not to exceed 12 months, as determined by the state conservationist, for the participant to correct the violation or face contract termination. If the nature of the violation does not allow for a reasonable time to regain compliance, NRCS may immediately terminate the contract.

Note: NRCS allows more flexibility in resolving issues that arise from circumstances beyond the participant’s control as described in section 530.82.
- E. Noncompliance may include, but is not limited to, the following situations.
 - (1) The participant fails to complete conservation practices or activities as scheduled in the contract.
 - (2) The participant loses control of land under contract.
 - (3) A conservation practice or activity fails within its lifespan and before contract expiration.
 - (4) The participant fails to meet other contract provisions outlined in the contract appendix.
- F. States must develop protocols to ensure consistent and equitable handling of noncompliance situations.

530.81 Documenting Noncompliance

- A. NRCS must review the circumstances related to the noncompliance to determine appropriate course of action.
- B. The NRCS field office must complete a contract status review using Form NRCS-CPA-13, “Contract Review.” Refer to subpart H, section 530.71D, “Annual Contract Reviews.”
- C. States may use subpart O, exhibit 530.143J, “Noncompliance Flowchart,” to determine how to proceed once they identify that a contract is in noncompliance.

530.82 Addressing Noncompliance and Violations

A. NRCS may handle noncompliance situations either with or without completing Form NRCS-CPA-153, “Agreement Covering Non-compliance with the Provisions of Conservation Program Contract (CPC),” depending on the specific circumstances of the noncompliance as described below.

B. Without Form NRCS-CPA-153 – only for circumstances beyond the participant’s control.

- (1) Circumstances beyond the participant’s control may include—
 - (i) Natural disasters.
 - (ii) Involuntary loss of land included in the contract.
 - (iii) Lack of timely technical assistance or conservation practice or activity designs.
 - (iv) Other hardship not present at the time of contract enrollment.
- (2) If NRCS determines that noncompliance is a result of circumstances beyond the participant’s control, the field office must work with the participant to find a remedy that allows for contract modification or cancellation. In these situations, NRCS may—
 - (i) Modify the contract to bring the contract back into compliance including rescheduling planned contract items as necessary.

Note: When contract items are 1 year or less behind schedule (due to circumstances beyond the participant’s control), it is not necessary to reschedule the items if the participant will complete them within the next year. In these cases, the field office may use subpart O, exhibit 530.141G, “Annual Schedule of Operations Letter,” along with a copy of Form NRCS-CPA-13, to inform producers of the practices behind schedule.

Note: It may be necessary for the field office to reschedule other contract items that are not currently behind schedule to help the participant remain in compliance going forward.

- (ii) Modify the contract to reapply a failed practice. Refer to subpart G, section 530.64, “Reapplication of Failed Conservation Treatment.”
 - (iii) Cancel the contract without cost recovery. Refer to section 530.84, “Cancellation and Termination of Contracts.”
- (3) The field office must thoroughly document the specific circumstances and planned corrective action in the participant case file.

C. With Form NRCS-CPA-153 or through written notification.

- (1) Except for the circumstance identified in section 530.82B, the field office must document contract violations using Form NRCS-CPA-153 or through written notification and reschedule applicable contract items through a modification.

Note: Completing Form NRCS-CPA-153 identifies the corrective actions and the consequences for failing to remedy the violation, so rescheduling contract items to reflect the current contract status does not in itself bring the contract back into compliance. The contract remains noncompliant until the participant completes the rescheduled items, resolving the terms of the NRCS-CPA-153.

- (2) NRCS must document the—

- (i) Specific basis for the noncompliance.
- (ii) Actions needed for the participant to regain compliance.
- (iii) Timeframe to complete the corrective actions, not to exceed 1 year.
- (iv) Consequences for failing to remedy the violation.
- (3) The NRCS approving official and the participants must sign Form NRCS-CPA-153. If written notification is used, the NRCS approving official must sign it. NRCS must retain the signed form in the case file and provide a copy to the participant.
- (4) The state conservationist may waive the terms of the initial Form NRCS-CPA-153 by issuing a new Form NRCS-CPA-153 to extend the terms of a previously approved Form NRCS-CPA-153 for up to 1 additional year only if the participant has made a good faith effort to comply with the terms but has been unable to complete the corrective actions within the agreed-upon timeframe due to circumstances beyond the participant's control. The state conservationist cannot further delegate extension of a Form NRCS-CPA-153 for an additional year. Refer to subpart O, exhibit 530.143N, "Delegation of Authority."
- (5) If the participant cannot or will not complete the corrective actions as agreed to on Form NRCS-CPA-153 or as detailed in other written documentation, follow the policy in section 530.84 unless (5) below applies.

530.83 Other Violations

A. Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Violations

- (1) When the Farm Service Agency (FSA) determines that a participant is ineligible due to an HELC or WC violation made during a conservation program contract, NRCS must complete Form NRCS-CPA-153 and provide the participant a reasonable time, not to exceed 1 year, to regain eligibility.
- (2) If the participant requests good faith relief from FSA, the participant should continue to implement all NRCS contract items as planned. However, NRCS may not issue payments while the participant remains ineligible.
- (3) If FSA grants good faith relief, the participant may be entitled to receive payment for contract items completed during the period of ineligibility.
- (4) If FSA does not grant good faith relief, the participant is ineligible to receive payments for contract items implemented during the period of ineligibility, regardless of whether the participant regains eligibility with an approved Form NRCS-CPA-153.
- (5) NRCS must terminate the contract according to section 530.84C below if the participant fails to complete the corrective action agreed upon in an approved Form NRCS-CPA-153.

B. Misrepresentation, Scheme, or Device

- (1) The participant is not entitled to receive payments or any other benefits made under the contract if NRCS determines that a participant has—
 - (i) Erroneously represented any fact affecting a program determination related to the contract or the applicable program regulations.
 - (ii) Adopted any scheme or device that defeats the purposes of the program or contract.

- (iii) Made any fraudulent representation related to the program or contract.
- (iv) Adopted any scheme or device for depriving any tenant or sharecropper of the payments that such person would otherwise be entitled to under the program.
- (v) Changed the operation solely to work around payment or contract limitations.
- (2) Once NRCS determines misrepresentation, scheme, or device, the state conservationist must terminate the contract and require that the participant refund all payments received under the contract and pay applicable liquidated damages according to the provisions of the applicable contract appendix and program regulation.
- (3) In cases where NRCS suspects a participant has committed misrepresentation, scheme, or device, the state conservationist may request an investigation by the USDA Office of Inspector General (OIG).
 - (i) The state conservationist must submit a detailed written explanation along with the findings and supporting evidence to the regional conservationist and the appropriate deputy chief for concurrence.
 - (ii) The state conservationist may consult OIG, the Office of General Counsel, or both, in making the determination.
 - (iii) The Chief makes the final determination.

Note: NRCS may not disclose information concerning the existence of an ongoing OIG investigation unless OIG has notified NRCS in writing that NRCS may confirm the existence of an ongoing investigation. Any publicity about the allegations OIG is investigating or the existence of a planned investigation may interfere with the inquiry or necessary legal, administrative, contractual, or personnel actions.

Note: NRCS must not terminate or take other administrative action on a contract while it is under investigation.

- (4) Participants may still be subject to applicable civil or criminal fraud statutes, including suspension and debarment.

C. Nonprocurement Suspension and Debarment List

- (1) Conservation program contract violations that affect the integrity of the agency may serve as the basis for suspension and debarment by NRCS. The state conservationist must provide documentation to the Chief for a suspension and debarment determination when warranted.
- (2) The System for Award Management website, otherwise known as [SAM.gov](https://sam.gov), is the official notification site for suspension and debarment. Until the involved agency files the official paperwork and secures the suspension, and the action appears in SAM.gov, NRCS does not have enough legal basis to stop processing applications, contracts, or payment related to contracts other than the application or contract under which the scheme or device occurred. SAM.gov lists suspended agreements under the “excluded” search. Because these instances are rare, states should contact national headquarters for guidance in these matters.

530.84 Cancellation and Termination of Contracts

A. Cancellations and Terminations

- (1) A contract may be either canceled by agreement of both parties or terminated for cause by NRCS. Once canceled or terminated, neither NRCS nor the participant has any further responsibilities under the contract and the participant forfeits all rights to any additional payments as described in the contract appendix.
- (2) Cancellations and terminations are effective once the NRCS approving official signs the cancellation or termination letter, regardless of whether the agency completes the cancellation or termination within the applicable business tool.
- (3) NRCS may not approve payments after canceling or terminating the contract except under extreme or rare circumstances. Follow the process outlined in subpart F, section 530.52H, “Special Payments.”

B. Cancellation.—An equitable remedy that allows NRCS and the participants to mutually end the contractual relationship.

- (1) Participants must request a contract cancellation in writing, provide reasons for the cancellation, and, if applicable, provide information on any new producer willing to assume the contract.
 - (i) If a participant is deceased or becomes incapacitated and no eligible successor is identified within the required timeframe, NRCS cancels the contract. Refer to subpart F, section 530.52G, “Payments to Deceased and Incapacitated Participants.”
 - (ii) If the basis for a cancellation request is related to hardship, NRCS may request documentation from the participant to demonstrate that the hardship is new or worsened after contract obligation.
- (2) Cost recovery of payments previously made may or may not be appropriate, depending upon the circumstances.

C. Termination.—NRCS unilaterally ends the contractual agreement as a result of a material breach of the terms and conditions of the contract.

- (1) Before terminating a contract, NRCS must provide participants an opportunity to remedy the violation, when applicable, as required by the specific program regulation. Refer to section 530.80, “General.”
- (2) NRCS usually seeks cost recovery of payments previously made and assesses liquidated damages. Refer to section 530.85, “Recovery of Costs and Liquidated Damages.”
- (3) Contract terminations meet the definition of an adverse action in accordance with 7 CFR pt. 11, subpart A, “National Appeals Division Rules of Procedure.” Refer to section 530.88, “Equitable Relief, Appeals, and Mediation.”

D. NRCS Decision and Participant Notification

The state conservationist or designee makes the decision and, if approved—

- (i) Notifies the participant in writing of the decision, identifies any associated cost recovery or liquidated damages, and provides applicable appeal rights. Refer to subpart O, exhibits 530.141M, “Cancellation without Cost Recovery Letter,” 530.141N, “Cancellation with Cost Recovery Letter,” or 530.141O, “Termination with Cost Recovery Letter.”

Note: Mutually approved cancellation actions where NRCS has waived cost recovery is not an adverse action and does not require providing any appeal rights.

Note: NRCS does not assess liquidated damages for a contract cancellation.

- (ii) Approves the cancellation or termination modification in the applicable business tool.

530.85 Recovery of Costs and Liquidated Damages

A. Applicability of Cost Recovery of Program Payments

- (1) When a contract is terminated or cancelled, NRCS may seek recovery of all or part of the financial assistance paid to a participant according to the provisions of the contract appendix and applicable program regulations.
- (2) State conservationists have discretion on the amount of cost recovery sought, including waiving 100 percent of the cost recovery if justified by the unique circumstances of the specific contract. State conservationists must consider the following when determining the applicability and amount of cost recovery.
 - (i) Whether the previously installed conservation practices and activities can function independently.
 - (ii) Whether the previously installed conservation practices and activities will be affected by the violation or the absence of other conservation practices or activities that would have been installed under the contract.
 - (iii) Whether the participant agrees to operate and maintain the installed conservation practices and activities for their lifespan.
 - (iv) The participant's good faith effort to comply with the terms of the contract.
- (3) NRCS must address these considerations in the notification letter to the participant.

B. Liquidated Damages

- (1) "Liquidated damages" means a sum of money specified in the contract appendix that the participant agrees to pay NRCS if the participant fails to adequately complete the terms of the contract.
- (2) For terminated contracts, state conservationists must assess liquidated damages at a rate of 10 percent of the total financial assistance funds obligated, excluding any technical assistance funds obligated, as allowed by applicable program regulations.
- (3) State conservationists may waive liquidated damages at their discretion according to applicable program regulations. States must apply decisions to waive liquidated damages consistently.

C. Other Considerations

- (1) The state conservationist should consider waiving cost recovery or liquidated damage assessments that total \$1,000 or less as being in the public interest.
- (2) The state conservationist may only consider waiving or reducing cost recovery for payments that NRCS properly made.
- (3) The facts in the specific contract case file must support the state conservationist's decision to request cost recovery or assess liquidated damages and must also be fully supported by and documented separately in the participant notification letter. Refer

to Title 440 Conservation Programs Manual, Part 510 “Appeals and Mediation,” for more guidance.

- (4) Any improper payment is subject to debt collection, and the state conservationist cannot cancel a debt except as described below in section 530.86G, “Handling of Small Debts.” NRCS must provide appeal rights when seeking collection of improper payments. Refer to section 530.88.
- (5) The state conservationist may determine if equitable relief is appropriate. Participants may request, or NRCS may initiate on the participant’s behalf, equitable relief according to equitable relief provisions found in 7 CFR pt. 635.
- (6) State program staff must work with the state financial resource specialist and submit a copy of the notification letter to the appropriate Farm Production and Conservation (FPAC) Business Center team when the letter is mailed to the participant. Interest begins to accrue on the total amount of cost recovery and liquidated damages if the participant does not pay the amount requested within 30 days. Interest continues to accrue until the agency receives payment in full or the debt is otherwise canceled.

D. Disposition of Recoveries

Contract management business tools do not account for when a participant repays program payments, so NRCS must use case file documentation when evaluating future payment limitation issues or other program eligibility requirements.

530.86 Claims, Debt Collections, and Offsets

A. Collection of Debts

NRCS must follow the Debt Collection Improvement Act of 1996 (DCIA) to collect amounts due from agency-administered contracts, including cost recovery, assessment of liquidated damages, or collection of other debts such as improper payments. Debt settlement policies and procedures are authorized under 7 CFR pt. 3. NRCS must send the initial program notification letter to participants, identifying the contract number, amount owed, and reason for collecting these funds. Refer to subpart O, exhibits 530.141H, “Debt Collection Letter;” 530.141N, “Cancellation with Cost Recovery Letter;” or 530.141O, “Termination with Cost Recovery Letter.” The state conservationist or Chief may cancel debts in certain limited circumstances—refer to paragraph G. Federal claims collections standards require aggressive agency collection activity.

B. Receivables

NRCS must provide a copy of the notification letter and all required supporting documentation to the applicable FPAC Business Center team when the letter is mailed to the participant.

C. Debt Collection and Interest

Collection of amounts due will follow DCIA procedures and will accrue interest at the current value of funds rate published in the Federal Register by the U.S. Government.

D. Appeals

- (1) When a participant appeals an NRCS decision that includes cost recovery or assessment of liquidated damages, the state program staff must work with the state financial resources specialist to place a hold on the debt collection.

Note: Placing the debt on hold does not prevent accrual of interest on the debt.

- (2) If the NRCS decision is upheld on appeal, NRCS must remove the hold on the debt and collection procedures resume.
- (3) If the NRCS decision is overturned on appeal, NRCS must cancel both the debt and any accrued interest associated with the debt.

E. Commodity Credit Corporation (CCC) Debt Register

If a participant receiving a payment is on the CCC debt register but the National Finance Center (NFC) has yet to submit the indebtedness to the Treasury Offset Program (TOP), the only option to offset the payment is through Form CCC-36, "Assignment of Payment." In this circumstance, the participant assigns the payment to the applicable USDA agency. The CCC debt register allows payments to be offset for other USDA agency debt when NRCS sends the initial notification letter.

F. Offsets to Payments Made by the U.S. Department of the Treasury (Treasury Department)

If a participant receiving a payment is indebted to another federal agency (for example, IRS) or USDA, and the DCIA collection procedures resulted in a debt being referred to TOP, the Treasury Department will reduce the compensation due the participant by the amount owed the U.S. Government. Offsets to payments made under this section do not deprive the participant of any rights to contest the indebtedness. When offsets are made by the Treasury Department against payment, payment records reflect full payment to the participant. The Treasury Department will not notify NRCS of any offset, but NRCS or FPAC Business Center staff may ask the NFC Payments Branch whether an offset was applied to a payment.

G. Handling of Small Debts

(1) Debts Less Than \$25

- (i) NRCS must record all debts; however, NRCS may cancel debts of less than \$25 under any of the following situations, unless otherwise specified by legislation or program policy.

- The producer is deceased, incompetent, or cannot be located.
- The cost of further collection efforts, including the costs to establish liability or to establish or locate the liable party, would exceed the amount recovered.
- There is no possibility of imminent collection.

- (ii) A memorandum of justification is not needed for debts that are the initial amount or the balance of a reduced debt.

(2) Exceptions

NRCS must not cancel debts of less than \$25 under any of the following situations.

- There is evidence that the participant has violated civil or criminal fraud statutes.
- Program policy mandates that NRCS cannot write off small balances.
- Program operations would be adversely affected.

- Several small amounts involving the same facts or basis of liability can be included in a single billing or demand, if collection is imminent.
- It would not be in the best interests of USDA to cancel the debt.

(3) Accepting Voluntary Payments

A participant may voluntarily repay debts of any amount by submitting payment as instructed in the debt collection notice sent from NFC.

530.87 Unauthorized Commitments

A. An unauthorized commitment is a nonbinding agreement or contract made by an NRCS representative who lacked the authority to enter into that agreement or contract on behalf of the Federal Government or who failed to follow the proper obligation or modification process. For example, a planner informs a participant that the participant may proceed with installation and will receive a program payment for a practice not included in the approved contract.

B. NRCS employees must ensure they do not knowingly or unknowingly make verbal or written promises or agreements that appear to bind the Federal Government to unauthorized program payments. An employee who makes an unauthorized commitment may be held liable for any payments or actions related to the commitment.

C. Program provisions require that contract implementation and modifications conform to statute, regulation, and policy. NRCS may ratify unauthorized commitments associated with conservation program contracts through the equitable relief provisions found in 7 CFR Part 635.

Note: The agency has discretionary authority to take disciplinary action against an employee who makes an unauthorized commitment as part of a corrective action plan.

D. Processing Approved Ratifications.—Contracts that are ratified through approved equitable relief determinations must be processed as follows.

- (1) Active contracts.—NRCS must follow the modification process in subpart G to add conservation practices or activities for approved ratifications on active contracts in which the participant has not yet completed the work.
- (2) Expired, canceled, or terminated contracts.—NRCS must fund conservation practices or activities with a new contract for approved ratifications in which the original contract is expired, canceled, or terminated and the participant has not yet completed the work.
- (3) NRCS must process payments following policy in subpart F, section 530.52H, for approved ratifications on any contract in which the participant has already completed the work.

530.88 Equitable Relief, Appeals, and Mediation

A. NRCS must provide appeal rights for any adverse decision. Refer to subpart O, exhibit 530.143M, “Appeal Rights.”

B. Refer to the NRCS appeals regulation in 7 CFR pt. 614 and the NRCS equitable relief regulation in 7 CFR pt. 635. Appeals and mediation policy is found in Title 440 Conservation Programs Manual, Part 510 “Appeals and Mediation,” and in National Instruction Title 440 Part 302, “Mediation Policy and Procedure.” Equitable relief policy is found in Title 440 Conservation Programs Manual, Part 509 “Equitable Relief from Ineligibility for Conservation,” and in National Instruction Title 440 Part 304, “Guidance for Processing Equitable Relief Cases for the Chief’s Consideration.”

C. Submit equitable relief requests for the Chief’s consideration to the equitable relief mailbox at equitable relief@wdc.usda.gov.

Part 530 – Working Lands Conservation Programs Manual

Subpart J – Program Evaluation

530.90 Purpose

This subpart outlines agency requirements for the continuous improvement of conservation programs and program delivery, using data and feedback mechanisms from employees and stakeholders.

530.91 References

- A. Government Performance and Results Modernization Act of 2010 (GPRMA)
- B. Office of Management and Budget Circular No. A-11, “Preparation, Submission and Execution of the Budget,” August 2023 (OMB Circular No. A-11)
- C. The Foundations for Evidence-Based Policymaking Act (Evidence Act)
- D. Program Management Improvement Accountability Act of 2016 (PMIAA)
- E. Title 440 Conservation Programs Manual, Part 500 “Locally Led Conservation”
- F. Farm Production and Conservation Learning Agenda for Evidence Act Implementation Policy Guidance

530.92 Definitions

- A. Refer to OMB Circular A-11, Section 200, for definitions of the following terms related to preparing, submitting, and executing the budget.
 - (1) Actionable information/data of significant value.
 - (2) Evaluation.
 - (3) Program.
 - (4) Program activity.
- B. Program Monitoring.—The active and periodic review and analysis of program performance data for continuous improvement of program efficiency and effectiveness.
- C. Program Portfolio Reviews (in accordance with PMIAA).—Reviews of programs conducted in coordination with USDA’s strategic reviews.
- D. Program Reporting.—The provision of program performance and evaluation data for the purposes of monitoring, evaluating, or providing evidence on program results.

530.93 Background

- A. The GPRMA requires that agency managers routinely use evidence and actionable data to improve agency results and efficiencies.
- B. The Evidence Act and related Office of Management and Budget (OMB) guidance on evidence and evaluation requires NRCS and other federal agencies to use evidence-based

policymaking to improve agency policy, program, budget, operational, and management decision-making.

C. The PMIAA aims to improve program management and accountability as part of the broader federal performance framework.

D. Timely monitoring of program performance and taking corrective actions maintains a focus on the priorities and ensures objectives are accomplished efficiently and effectively.

E. External audiences for program reporting include the USDA, Performance Improvement Council, Program Management Improvement Council, OMB, Congress, and the public.

F. Internal program monitoring and reporting for agency managers includes using more detailed reports, scorecards, and dashboards for making decisions and improving results and efficiency.

G. Frequent monitoring and reporting of an agency's actionable data requires agencywide business tools for capturing and reporting program data.

530.94 Responsibilities

A. The Chief ensures agency compliance with the program monitoring and reporting aspects of the GPRMA.

B. The associate chief monitors program performance for deputy chiefs and ensures the use of evidence in decision-making and program evaluation.

C. Deputy chiefs monitor program performance within their deputy area and oversee the use of evidence in decision making and program evaluation.

D. The Deputy Chief for Programs

(1) Develops agency policy for program evaluations and reporting.

(2) Develops agency strategy for the use of evidence and evaluation for continuous program improvement.

(3) Ensures timely, actionable program information is available to other deputy chiefs and the regional conservationists.

(4) Provides program reports to track agency results.

(5) Monitors program efficiency and effectiveness and reports accomplishments to the Chief.

(6) Assigns data owners and stewards for program data.

E. Regional Conservationists

(1) Monitor program performance in their regions and take corrective actions as needed.

(2) Verify the use of evidence in program evaluation and reporting.

(3) Ensure that state conservationists conduct frequent data-driven reviews that guide decisions and actions to improve program outcomes, manage risk, and reduce costs.

F. State Conservationists

(1) Oversee the monitoring and reporting of programs within the state.

(2) Conduct frequent data-driven reviews that guide decisions and actions to improve program outcomes, manage risk, and reduce costs.

(3) Ensure that evidence is used in program evaluations and reporting within the state.

(4) Assigns state data owners and stewards for state program data.

G. Designated Conservationists

- (1) Monitor programs within the service area and act as necessary.
- (2) Ensure the quality of the data within their service area and certify it as complete and accurate.
- (3) Provide input to state managers during program evaluations and monitoring for continuous improvement. Input may also be derived from—
 - (i) Feedback during local working group meetings or other partnership events, or directly received from customers.
 - (ii) Issues discovered during annual contract status reviews.

530.95 Policy

- A. Programs, as defined above, must have defined critical success factors with program evaluation metrics defined, documented, and provided to decision makers through data visualization tools.
- B. NRCS must monitor programs at an appropriate frequency with data, measures, and indicators that comply with Title 340 General Manual, Part 403 “Performance Measurement” (340 GM Part 403).
- C. Program data and metrics must have identified data stewards and owners.
- D. When metrics indicate NRCS must make improvements in program delivery (efficiency and effectiveness), the agency must use continuous process improvement (CPI) standard practices to ensure customer input and data-driven decisions.
- E. Program reports must be—
- (1) Consistent and reliable so that agency managers can develop and carry out plans for improvement.
 - (2) Transparent and repeatable, including documentation required by 340 GM Part 403, Subpart B, “Development of Performance Measures.”
 - (3) Limited to a small set (less than 10) of measures of significant value for focusing priorities.
- F. NRCS must use standardized methods and business tools for program monitoring and reporting.

Part 530 – Working Lands Conservation Programs Manual

Subpart K – Management of Contracts Obligated Prior to Fiscal Year 2020

530.100 General Information

A. This subpart provides guidance on the appropriate use of Title 440 Conservation Programs Manual for the following parts for managing contracts obligated before fiscal year (FY) 2020, which are hereafter referred to as “existing parts:”

- (1) Part 507, “Conservation Stewardship Program” (CSP)
- (2) Part 512, “Conservation Program Contracting”
- (3) Part 515, “Environmental Quality Incentives Program” (EQIP)

Note: NRCS archived Part 521, “Agricultural Management Assistance” (AMA), in February 2021. Refer to subpart P for all AMA guidance, including for contracts obligated before FY 2021.

B. All contracts must follow the regulations that were in effect on the date of obligation and the requirements specified in the contract appendix. Subparts A through K and subpart O, implement streamlined procedures for administering contracts obligated in FY 2020 or later and contracts obligated before FY 2020, subject to the exceptions in this subpart. When guidance in part 530 conflicts with the applicable regulation or contract appendix, the user should follow guidance found in the appropriate existing parts referenced above, which may include both the specific program part and part 512. Part 530 does not apply where the requirements of this manual would result in a determination more adverse to a participant’s rights or responsibilities than would the requirements of the policy in place at the time of contract obligation.

C. Use of Existing Parts for Contracts Obligated Before FY 2020

- (1) Part 507.—To verify CSP eligibility requirements for land and participants and provide guidance on completing modifications in the Conservation Activity Evaluation Tool (CAET).
- (2) Part 512.—To provide further guidance when one of the existing program parts references part 512 and part 530 conflicts with the applicable regulation and contract appendix.
- (3) Part 515.—To verify EQIP eligibility requirements for land and participants.

D. Existing parts are not to be used for general information. Follow part 530, subpart A, “General Information.”

E. Use professional judgement when considering exceptions to the use of part 530 and document the basis for determinations in case of appeal or audit. If in doubt, consult national headquarters (NHQ) for guidance.

530.101 Managing Funds

Existing parts may not be used for managing funds. Follow subpart B, “Managing Funds.”

530.102 Application for Assistance

- A. For audits and quality assurance, use the existing parts to determine whether states followed application procedures in effect at the time of application. Use this manual to determine whether the state has authority to take an administrative action to correct a deficiency. If no authority is specified, request NHQ assistance to address a deficiency.
- B. Follow eligibility requirements in effect at the time of obligation. Use the existing parts to determine eligibility requirements when adding new participants or land to a contract. Follow subpart C, “Application for Assistance,” for waivers and exceptions to eligibility requirements.
- C. For changes to entity membership or signature authority, follow current procedures found in subpart C.

530.103 Application Processing

For audits and quality assurance, use the existing parts to determine if states followed application procedures in effect at the time of application. Use part 530 to determine whether the state has authority to take an administrative action to correct a deficiency. If no authority is specified, request NHQ assistance.

530.104 Contract Development and Requirements

- A. Subpart E, “Contract Development and Requirements,” and the program-specific subparts of this manual apply to contracts obligated before FY 2020. Please note the following special circumstance.
 - (1) CSP contracts obligated in FY 2019 or earlier require that the participant adopt contracted enhancements by the third year of the contract. If participants fail to adopt an enhancement by the third year of the contract, follow policy in subpart I, “Contract Violations.”

Note: An enhancement is considered adopted when the participant has implemented the enhancement on at least part of the operation.

530.105 Payments

Follow subpart F, “Payments,” except for the following.

- (1) For information on prior Farm Bill contract payment limitations, refer to the policy in place at the time of contract obligation.
- (2) For successors to prior Farm Bill contracts, participants must file the following Farm Service Agency (FSA) forms.
 - (i) For successors to 2002 Farm Bill contracts.—Form CCC-526C, “Payment Eligibility Average Adjusted Gross Income Certification for Certain Conservation Reserve Program Contracts Approved Before October 1, 2008.”
 - (i) For successors to 2008 Farm Bill contracts.—Form CCC-931C, “Average Adjusted Gross Income Certification and Consent to Disclosure of Tax Information for Successors to Conservation Program Contracts and Agreements Only.”

- (iii) For successors to 2014 Farm Bill contracts.—Form CCC-941, “Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information.”

Note: “Successors” include all contract participants, entity members, and other successors to these contracts. Changes in the members or in member shares of an entity must be documented by the entity submitting a revised Form CCC-901, “Member’s Information,” or CCC-902E, “Farm Operating Plan for an Entity,” to FSA. Failure to update the FSA business file will result in a mismatch between business tools, which will prevent obligation and payment.

Note: Adjusted gross income (AGI) provisions in the 2014 Farm Bill do not apply to CSP and EQIP contracts obligated in FY 2014. This includes all contract participants and entity members and successors of these contracts. AGI compliance also does not apply to AMA, Agricultural Water Enhancement Program, or Wildlife Habitat Incentive Program contracts obligated between October 1, 2013, and February 7, 2014.

530.106 Modifications

- A. Follow subpart G, “Modifications,” and the program-specific subparts of this manual to determine acceptable and unacceptable modifications. This includes modifications to keep contracts in compliance and avoid contract terminations. If a contract appendix states that a contract must be terminated due to a loss of control of land or failure to notify NRCS of such in a timely manner, follow policy in this manual to determine if a modification may be completed to keep the contract in compliance.
- B. In addition, for CSP contracts obligated in FY 2019 and earlier, use part 507 for guidance on completing modifications using the CAET.

530.107 Contract Reviews and Quality Assurance

Follow subpart H, “Contract Reviews and Quality Assurance,” for all contracts.

530.108 Contract Violations

Follow subpart I, “Contract Violations,” for all contracts.

530.109 Program Evaluation

Follow subpart J, “Program Evaluation,” for all contracts and programs.

530.110 Program Exhibits

Follow subpart O, “Exhibits,” and program-specific subparts of this manual for all contracts.

Part 530 – Working Lands Conservation Programs Manual

Subpart L – Alternative Funding Arrangements (AFAs) for EQIP and CSP

530.111 General

A. Purpose

- (1) NRCS will collaborate with tribes to develop alternative funding arrangements (AFA) for funding and implementing conservation projects on land over which tribes or their members have control. To be eligible for an AFA, tribes must meet the conditions in section 530.111C. Any AFA that NRCS enters into must support the applicable program's purposes as outlined in subpart Q, "Conservation Stewardship Program (CSP)," and subpart R, "Environmental Quality Incentives Program (EQIP)." NRCS may enter into AFAs with Indian tribes and Alaska Native corporations (tribes) under both the Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP).
- (2) This subpart does not apply to the Regional Conservation Partnership Program (RCPP) or the Agricultural Management Assistance (AMA) program. Refer to Title 440 Conservation Programs Manual, Part 531 "Regional Conservation Partnership Program," for guidance on RCPP AFAs.
- (3) AFAs provide NRCS and tribes with flexibilities regarding funding, planning, and administering the implementation of EQIP and CSP where existing processes may impede program participation. States fund AFAs through programmatic agreements (PA) directly with the tribe (refer to section 530.119A, "Programmatic Agreement Template for EQIP and CSP AFAs").
Note: PAs for AFAs with tribes under EQIP and CSP are not the same as RCPP programmatic partnership agreements.
- (4) If conflicts between this subpart and other subparts of Part 530 exist, the policy in this subpart prevails.

B. Authority

- (1) This subpart contains the NRCS policy, guidance, and operating procedures for EQIP and CSP AFAs according to section 1244(m) of the Food Security Act of 1985, as amended (the statute). Refer to subpart O, exhibit 530.143I.
- (2) This subpart is effective for new enrollments during fiscal year 2022 and forward until superseded.

C. NRCS may consider AFAs nationwide for any tribe that meets the requirements in subpart C, section 530.21B. When determining whether to fund a proposal through an AFA, NRCS considers how much the proposal:

- (1) Achieves conservation benefits for the tribe that meet EQIP or CSP program goals.
- (2) Demonstrates that the goals and objectives of the program are more easily achieved through an AFA than a traditional contract.
- (3) Addresses natural resource concerns, including the development and implementation of tribal resource management plans.

530.112 AFA Funds Management

- A. **Fund Spending Limits and Management.**—National headquarters or state conservationists may set aside financial assistance (FA) and technical assistance (TA) funds specifically to support AFAs. Funds allocated by national headquarters are included in the annual allocation guidance. In addition, states may set aside a portion of the funds allocated for EQIP and CSP for AFAs.
- B. **Funding Preparation Activities.**—An AFA is a nation-to-nation negotiation. States should conduct outreach to inform tribes of the opportunity to request an AFA with NRCS. The tribe and NRCS should discuss the project's requirements, the funds available to support it, and other parameters.
- C. **Technical Assistance.**—NRCS may provide tribes with TA funds for approved activities as laid out in the PA.
- D. **Indirect Costs.**—As part of the AFA negotiation process with NRCS, tribes may request payment for some or all of the indirect project costs they incur.
 - (1) To be eligible to recover any indirect cost under a federal award, recipients must either have a current negotiated indirect cost rate agreement with a federal agency that has not expired or qualify for use of the de minimis rate of 10 percent authorized by 2 CFR § 200.414.
 - (2) A tribe that receives more than \$35 million in direct federal funding in one year is not eligible for the de minimis rate and must negotiate its indirect cost rate with NRCS.
- E. **Reporting.**—The PA must specify that tribes must submit semiannual reports to NRCS that include status updates and invoices of funds expended. NRCS and the tribe will determine the specific format of these reports and document their decision in the PA.

530.113 AFA Payments and Payment Limitations

- A. States must work with tribes to determine practice payment rates for each approved AFA and document their decisions in the PA. Payment rates may be based on actual costs, average costs, predetermined payment schedules, or other methods approved by NRCS.
- B. States and tribes have flexibility to determine how FA and TA will be provided to tribes.
 - (1) NRCS may handle all TA and pay the tribe only FA.
 - (2) NRCS may pay the tribe for all TA and FA.
 - (3) The tribe may manage all funding for activities covered within the AFA.
 - (4) NRCS may manage funds through the usual contracting methods.
- C. If funds will be managed by the tribe, they may be transferred upfront, annually (or at some other regular interval), or on a reimbursement basis. If on a reimbursement basis, NRCS and the tribe may establish a process for providing advance payments if desired by the tribe.
- D. The tribe must submit an SF-270 to request transfer of funds.
- E. Tribal entities are not subject to payment limitations or adjusted gross income (AGI) provisions. This exemption only applies to business type 20 (Indian Tribe Venture) in the FSA system. This exemption does not apply to business type 15 (Indian Represented

by the BIA) or to individual tribal members. Refer to subpart C, section 530.21B, for more guidance. The tribe must provide information on each participant to NRCS before receiving its first AFA payment so the agency can ensure each individual is eligible for payments.

- F. To help implement the program, NRCS may waive the AGI limitation on a case-by-case basis according to subpart C, section 530.23C “Adjusted Gross Income (AGI) Waivers.”
- G. Refer to section 530.119B, “AFA Obligations and Payments,” for information on processing payments to tribes under AFAs.

530.114 AFA Requests from Tribes

- A. An eligible tribe must submit requests for AFAs as follows.
 - (1) Tribes interested in entering into an AFA under EQIP or CSP must submit a request to the state conservationist.
 - (2) The request must include:
 - (i) A description of the proposed activities.
 - (ii) The program under which the tribe wishes to build the AFA.
 - (iii) The preferred length of the agreement period (not to exceed 10 years for EQIP or 5 years for CSP with the potential for a 5-year renewal, unless NRCS determines that a longer period is necessary to meet the program objectives).
 - (iv) An estimate of funds to be requested.
 - (v) The approximate number of participants needed to accomplish the underlying purposes and objectives of the program.
 - (vi) A description of how those participants will be involved.
- B. All states and tribes are unique, so the process for developing AFAs may differ greatly across states. Each state must develop a transparent process for selecting AFAs in collaboration with tribes, state tribal conservation advisory councils, and other analogous groups and share this process with the regional conservationists before making selections.
- C. Refer to section 530.119B for information on obligating funds once an AFA request has been granted.

530.115 AFA Programmatic Agreements

- A. NRCS and the tribe collaborate to determine the specific terms of the AFA and lay these out in the PA (refer to section 530.119A for a PA template). The responsibilities of the tribe and NRCS must be clearly documented in the PA and should include:
 - (1) Demonstration that the tribe will enlist an adequate number of participants necessary to accomplish the relevant program’s purposes.
 - (i) The tribe may hold the AFA as the primary participant and install conservation practices or activities that benefit multiple tribal members without transferring payment.
 - (ii) The tribe may hold the AFA and pay tribal members to install conservation practices or activities.

- (iii) The tribe may hold the AFA and receive payment for conservation practices or activities it installs while also paying tribal members to install practices (as long as duplicative payments for the same practice are avoided).
- (2) A description of the conservation objectives of the AFA, the conservation practices or activities that will be funded to achieve those objectives, and the length of the agreement period. If traditional conservation practices or activities will be implemented, the PA should detail the NRCS practice standards upon which they are based.
- (3) The details, terms, and conditions of the FA and TA NRCS will provide to the tribe.
- (4) A description of the activities the tribe and NRCS will manage under the agreement, including if applicable:
 - (i) Setting up an internal application process for tribal members.
 - (ii) Determining eligibility and control of land for individual tribal members.
 - (iii) Ensuring that contracts with individual tribal members do not exceed statutory limitations.
 - (iv) Making payments to individual tribal members for completed conservation practices or activities.
 - (v) Documenting how the tribe will determine method of payment for completed conservation practices or activities (e.g., actual costs, average costs, predetermined payment schedules, or other methods approved by NRCS). Costs for conservation practices or activities will be based on NRCS cost components approved under existing payment scenarios.
 - (vi) Managing TA funding and activities as negotiated with NRCS, such as:
 - Development of conservation plans with individual tribal members for activities covered within the PA.
 - Design, implementation, and certification of conservation practices and activities.
 - Program management activities such as outreach, application management, ranking, and contract management.
- (5) The terms of how the tribe will coordinate with NRCS to document compliance with the National Environmental Protection Act (NEPA), the Highly Erodible Land Conservation and Wetland Conservation Certification requirements, and all applicable federal, state, and local laws.
- (6) The process for handling contract modifications and instances of noncompliance by tribal members.

B. NRCS must upload PAs and any supporting documentation to the Document Management System.

530.116 AFA Conservation Practices and Resource Concerns

A. Eligible Conservation Practices and Activities

- (1) Refer to the program-specific subparts of this manual for general guidance on eligible conservation practices and activities.
- (2) AFAs may incorporate traditional ecological knowledge or cultural application methods, provided that the purposes of the corresponding NRCS conservation practice standards or activity requirements can be met. If existing conservation

- practices or activities do not meet the tribe’s objectives, states may request a practice variance, interim conservation practice, or new activity following Title 450 General Manual, Part 401 “Technical Guides,” Subpart B “Conservation Practice Standards and Supporting Documents.”
- (3) Tribes have the option to develop their own conservation plans within the AFA or to work with NRCS to do so. The plans must demonstrate how they will achieve the purposes of the AFA and applicable program.
 - (4) At a minimum, NRCS must provide limited TA for each project, including ensuring NEPA and National Historic Preservation Act requirements are met. NRCS must confirm and document that the tribal partner collects adequate information to ensure that AFA projects and activities comply with NEPA and other applicable federal, state, and local laws and regulations. NRCS is not responsible for data collection, which can be negotiated, but the agency cannot delegate analytical and decision-making responsibility for these items.
- B. Eligible Resource Concerns.—NRCS’s approved resource concerns are broad and, in most cases, will encompass tribal resource concerns. NRCS should work to align the agency’s approved resource concerns with tribal resource concerns.

530.117 AFA Tribal Member Applications and Contracting

- A. If the tribe chooses to have NRCS manage the individual tribal members’ application process, then NRCS and the tribe must follow the application processes in the relevant program’s subparts and subparts C and D of this manual. Ranking priorities will be based on the priorities set forth by the tribe in the PA.
- B. If the tribe chooses to manage its own application process, then it should develop a process analogous to NRCS’s in terms of how applications are approved for funding, ensuring a transparent process where selections are made based on the greatest conservation benefit according to sections 1240C and 1240K(b)(1) of the statute.
- C. Similarly, if the tribe chooses to enter into contracts with tribal members, then it should develop a schedule of operations analogous to the NRCS process. Refer to subpart E, “Contract Development and Requirements,” and the program-specific subparts of this manual for general guidance on the schedule of operations. NRCS should work with the tribe to ensure it has an appropriate management plan in place if the AFA includes conservation practices related to forest land, organic systems, or nutrient management.
- D. Reviews.—Refer to subpart H, “Contract Reviews and Quality Assurance,” and subpart I, “Contract Violations,” for information about completing reviews and addressing noncompliance and contract violations.

530.118 AFA Changes: Modifications and Terminations

- A. If a tribe wishes to modify an agreement, NRCS and the tribe must agree on the new terms of the agreement and record the new terms and the reasons for the change in the PA. NRCS must document any changes to proposed activities, resource concerns to be addressed, or obligation amounts. NRCS and the tribe must both sign and date the modified PA.

- B. Before NRCS approval of a modification that increases the AFA obligation, the state's financial management staff must document funds availability.
- C. If a tribe wishes to cancel an agreement, it must submit a written request to NRCS. Any unexpended funds that have been transferred to the tribe by NRCS must be returned.
- D. If a tribe fails to adhere to the terms of the agreement, NRCS should work with the tribe to help it regain compliance. If these efforts fail, NRCS may terminate the agreement and pursue liquidated damages as appropriate according to subpart I. NRCS must provide information on appeal rights to the tribe at the time of termination.

530.119 AFA Exhibits

- A. Programmatic Agreement Template for EQIP and CSP AFAs
- B. AFA Obligations and Payments

Part 530 – Working Lands Conservation Programs Manual

Subpart M – Inflation Reduction Act (IRA)-Funded Contracts

530.120 General

A. This subpart provides NRCS policy, guidance, and operating procedures for contracts obligated using Inflation Reduction Act (IRA) funds. The subpart is effective for new enrollments using IRA funds starting in fiscal year 2023.

B. This subpart identifies additional guidance applicable to the Environmental Quality Incentives Program (IRA-EQIP Classic and IRA-EQIP-CIC), Conservation Stewardship Program (IRA-CSP), and Regional Conservation Partnership Program Land Management and Rental (IRA-RCPP-LMR) producer contracts obligated with funds made available by the IRA.

(1) Contracts obligated with IRA funds follow the program regulation and policies in this manual. Subparts A through O and program-specific subparts Q, R, and S, apply to IRA contracts unless otherwise specified in this subpart.

(2) When guidance in this subpart conflicts with other parts of this manual, the guidance in this subpart and in the IRA prevails.

C. Authority – The IRA was enacted under Subtitle B “Conservation” of Title II of [Public Law No. 117-169](#), on August 16, 2022.

D. For EQIP and CSP, NRCS may only use IRA funds for contracts that include one or more core conservation practices or activities identified by national headquarters and any associated facilitating practices or activities that:

(1) directly improve soil carbon;

(2) reduce nitrogen losses; or

(3) reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions associated with agricultural production.

Note: Facilitating practices must meet the purpose as defined in the National Planning Procedures Handbook (NPPH). See [180 NPPH § 600.2](#).

E. For IRA RCPP, NRCS will prioritize project proposals that target delivery of project assistance to directly improve soil carbon, reduce nitrogen losses, or reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions associated with agriculture production. After proposal selection and programmatic partnership agreement (PPA) negotiations, NRCS may use IRA funds to obligate LMR producer contracts consistent with a negotiated PPA.

F. Practices and activities identified by NRCS to address IRA priorities in paragraphs D and E will be referred to as IRA conservation practices and activities.

530.121 Managing Funds

A. In addition to Farm Bill funds received by NRCS each fiscal year, the IRA authorizes additional funding to address the IRA priorities in section 530.120 .

B. Follow subpart B, “Managing Funds,” this subpart, and other IRA-specific guidance for proper management of IRA funds.

C. IRA funds cannot be combined with any other USDA funds within a contract.

D. States must create a separate IRA spending plan for CSP and EQIP. For RCPP, states may create IRA spending plans for each LMR fund pool in an RCPP project. See guidance in other national directives for establishing spending plans and ranking pools contained.

E. The requirement in subpart R, section 530.401B(1)(ii), to target at least 50 percent of EQIP funding toward livestock-related practices does not apply to IRA funds. All other program-specific funding targets apply and may be achieved with either IRA funds, non-IRA funds, or both.

F. The following additional funding preparation activities apply.

- (1) **EQIP**—States must establish IRA-specific spending plans and ranking pools for EQIP Classic and may choose to establish spending plans and ranking pools for EQIP-CIC.
- (2) **CSP**—States must establish IRA-specific spending plans and ranking pools for CSP Classic.
- (3) States may also use IRA funds to support both EQIP and CSP AFAs, as applicable. See subpart L, “Alternative Funding Arrangements (AFAs) for EQIP and CSP,” for more guidance on AFAs.

530.122 Application Processing

Follow subpart D, “Application Processing,” and the program-specific subparts of this manual for guidance on application processing. NRCS staff may also prioritize funding selections in IRA funding pools before selections in other ranking pools.

530.123 Contract Development and Requirements

Follow subpart E, “Contract Development and Requirements,” and the program-specific subparts of this manual. The following guidance also applies.

- (1) Schedule IRA conservation practices and activities as described in section 530.120. Planners must ensure that any facilitating practices or activities scheduled in an IRA contract are documented accordingly in the applicable business tool.
 - (i) Contracts funded through IRA must contain at least one core practice or activity; they may not contain only facilitating practices or activities.
 - (ii) Conservation practices or activities included in an IRA-RCPP-LMR contract must also address one or more of the project priorities documented in the associated PPA, as applicable.
- (2) The period of performance of an IRA contract may not extend beyond September 30, 2031. NRCS does not have authority to waive this limitation.

Note: The period of performance may be shorter than the period of performance allowed in the program-specific subparts.

- (3) IRA contracts must follow the program regulations in effect on the date of obligation and the contract provisions specified in the contract appendix and IRA addendum.
- (4) Contract Documents
 - (i) In addition to the Appendix to Form NRCS-CPA-1202, “Conservation Program Contract,” NRCS must use exhibit 530.129A, “IRA Addendum to Appendix to Form NRCS-CPA-1202, “Conservation Program Contract,”” . The addendum supplements the general terms and conditions in the Appendix to Form NRCS-CPA-1202.
 - (ii) Participants with an IRA-funded contract must sign both the contract appendix and IRA addendum at the time of obligation.
 - (iii) The IRA addendum is a critical contract document. See subpart E, section 530.42B, for filing requirements.
 - (iv) NRCS should use exhibit 530.129B, “IRA Application Approval Letter,” to notify applicants that NRCS has approved their application using IRA funds. The IRA approval letter provides guidance specific to IRA funding requirements.

530.124 Payments

A. Follow subpart F, “Payments.”

B. In addition to the items listed in subpart F, section 530.54, “Payments Not Authorized,” NRCS does not have authority to approve payment for—

- (1) Practices or activities funded through an IRA contract after September 30, 2031. NRCS does not have authority to waive this limitation on the use of IRA funds.
- (2) Practices or activities not authorized for IRA funding, except—
 - (i) RCPP may allow payment for any conservation practices or activities included in an LMR producer contract consistent with the PPA for the project under which the contract was awarded.

C. States should carefully evaluate the use of practice payment caps authorized in subpart R, section 530.406B(3), to ensure all EQIP and RCPP (consistent with PPA) funds can be obligated and the objectives of the program are met.

D. If a state-equivalent payment checklist is used, states must incorporate the IRA section items from the Payment Review Checklist in subpart O, exhibit 530.142C.

E. IRA payments count toward program-specific payment limitations described in the program-specific subparts of this manual, as applicable.

530.125 Modifications

A. Follow subpart G, “Modifications,” and the program-specific subparts of this manual to determine acceptable and unacceptable modifications.

B. In addition, the following applies.

- (1) Adding or substituting an IRA conservation practice or activity.

- (i) All scheduled contract items must meet the requirements for IRA conservation practices or activities as identified in sections 530.120 and 530.123.
- (ii) The planner must schedule all contract items for completion with enough time for NRCS to approve payment before the contract expiration date or September 30, 2031, whichever is sooner.
- (2) Deleting a conservation practice or activity. See section 530.123(1).
- (3) Land Transfers. Partial land transfers that no longer meet the requirement in section 530.123(1) cannot be approved. This is because the transfer will result in a contract that no longer meets the purpose of the IRA.
- (4) NRCS cannot extend the period of performance beyond September 30, 2031. See section 530.123(2).

C. NRCS may approve a contract increase modification to an IRA contract if sufficient IRA funds are available. Only IRA funds can be used to fund an IRA contract and any subsequent contract increases.

530.126 Contract Reviews and Quality Assurance

A. Follow subpart H, “Contract Reviews and Quality Assurance.”

B. State conservationists must ensure staff complete robust reviews before approving a contract funded through the IRA and before approving IRA payments or contract modifications. States are highly encouraged to update the state quality assurance plan and assign responsibilities to appropriate staff for monitoring IRA activities and overseeing all applications to ensure proper contract obligation and administration.

C. Annual contract reviews must include review of IRA contract provisions, including compliance with the schedule of operations to address IRA priorities and meet the period of performance.

530.127 Violations

If NRCS determines that a violation occurred, follow guidance in subpart I, “Contract Violations.”

530.129 IRA-Specific Exhibits

Follow subpart O, “Exhibits,” and program-specific subparts of this manual, as applicable. In addition, the following IRA-specific exhibits must be used for all IRA contracts.

- (1) 530.129A IRA Addendum to Appendix to Form NRCS-CPA-1202, “Conservation Program Contract”
- (2) 530.129B IRA Application Approval Letter
- (3) 530.129C Inflation Reduction Act of 2022

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Subpart O – Exhibits

530.140 Exhibit Uses

A. Exhibits Information.—This subpart contains exhibits that support subparts A–L , including letter templates, checklists, charts, references, and forms. Refer to the specific program subparts for program-specific exhibits.

B. Letter Templates.—Use applicable templates according to the preceding subparts.

- (1) Editing Letter Templates.—Each template includes information in brackets to indicate where states must include specific information to clearly communicate the intended message. Certain letters may require additional editing to ensure the message is clear and concise. States should not substantially revise the standard language in template letters to the extent it changes the intended purpose. However, states may adjust the response period when needed to accommodate short deadlines. Standard language for appeal rights, when provided, should only be edited to include the applicable contact information. Refer to Title 120 General Manual, Section 402.7 “Writing,” for more information on writing correspondence.
- (2) Certified Mail.—States must send letter templates where “Via Certified Mail: Return-Receipt Requested” is indicated in the header through certified, return-receipt U.S. Postal Service mail or through another comparable service that tracks when the applicant or participant receives the correspondence. This is critical when communicating in writing to applicants or participants that a response is required by a certain date or when NRCS makes an adverse decision and provides appeal rights.

Note: If the certified mail is returned because the participant refused to sign or did not accept the certified letter, NRCS should follow up by resending the letter through standard mail and document other attempts to contact the participant about the decision.
- (3) Appeal Rights.—NRCS must include appeal rights with any adverse decision sent to a participant using exhibit 530.143M “Appeal Rights.”
- (4) Official Correspondence through Electronic Means.—It is generally acceptable to send general correspondence to participants through electronic means such as email or customer portals through NRCS business tools if the participant has provided an email address or created a USDA account. Correspondence requiring action from the participant and adverse decisions should still be sent through mail. An electronic message may also be sent as a courtesy copy.

C. Checklists.—Checklists are provided to facilitate communication and ensure certain steps are taken when completing the checklist for a specific purpose. States may edit checklists for local use (e.g., making a fillable form, additional items to verify) but should not remove any items from the exhibit checklist.

D. Charts and References.—Charts and references are provided as supplemental information to the preceding subparts and referenced in the applicable section. Charts and references are

generally large diagrams or lists of information that do not otherwise fit within the formatting of the manual text.

E. Forms.—Forms are developed per guidelines in Title 120 General Manual, Part 403 “Directives, Forms, and Reports.” States must not edit or develop alternative forms for the exhibits referenced in this manual.

530.141 Letter Templates

- A. Application Deferral Letter
- B. Ineligibility Determination for Conservation Program Contract Letter
- C. Intent to Proceed Letter
- D. Early Start Waiver Approval Letter
- E. Early Start Waiver Disapproval Letter
- F. Application Approval Letter
- G. Annual Schedule of Operations Letter
- H. Debt Collection Letter
- I. Administrative Review Control of Land Letter
- J. Reserved
- K. Reserved
- L. Reserved
- M. Cancellation without Cost Recovery Letter
- N. Cancellation with Cost Recovery Letter
- O. Termination with Cost Recovery Letter
- P. General Waiver Letter
- Q. Deceased Participant Notification Letter
- R. Unfunded Notification for Partially Funded Application Letter

530.142 Checklists

- A. Checklist to Address NRCS Customer Eligibility Issues
- B. Conservation Program Contract File Checklist
- C. Payment Review Checklist
- D. AGI Waiver Worksheet
- E. Conservation Program Application Checklist
- F. Modification Checklist

530.143 Charts and References

- A. Transfer of Land Conditions
- B. Indicators of Erroneous Payment
- C. Program Eligibility Matrices for Individuals, Entities, and Joint Operations
- D. Schedule of Operations Review
- E. Optional Verification of Historically Underserved Applicant Self-Certification
- F. Diagram for Deceased or Incapacitated Participants
- G. Crosswalk of Terminology
- H. Assignment of Payment to FSA
- I. Food Security Act of 1985, as Amended
- J. Noncompliance Flowchart
- K. Business Tools Quick Reference
- L. Table for Deceased or Incapacitated Participants
- M. Appeal Rights
- N. Delegation of Authority
- O. Veteran Farmer or Rancher Determination Matrix for Historically Underserved Payment Rate and Veteran Preference
- P. Eligibility Determination Chart
- Q. Land Use Eligibility Chart

530.144 Forms

- A. Summary of Forms Used
- B. CCC-CPA-36, “Assignment of Payment”
- C. NRCS-CPA-125, “Application for Payment to Deceased or Incapacitated Participant”
- D. NRCS-CPA-1257, “Landowner Concurrence Form to Install Structural or Vegetative Conservation Activities”
- E. NRCS-CPA-1270, “Consent to Release or Receive Information for NRCS Program Participation”
- F. NRCS-CPA-1304, “Heirs Property Ownership Applicant Self-Verification Form”

Part 530 – Working Lands Conservation Programs Manual

Subpart P – Agricultural Management Assistance (AMA)

530.200 General

A. Purpose

- (1) This subpart applies to all Agricultural Management Assistance (AMA) contracts. If conflicts between this subpart and other subparts of this manual exist, the policy in this subpart will prevail.
- (2) The purpose of AMA is to—
 - (i) Construct or improve watershed management structures or irrigation structures.
 - (ii) Plant trees to form windbreaks or to improve water quality.
 - (iii) Mitigate financial risk through production or marketing diversification or the implementation of resource conservation practices, including soil erosion control, integrated pest management, or the transition to organic farming.

B. Authority

(1) Statutory Authority

The statutory authority for the policy and procedures contained in this subpart is section 524(b) of the Federal Crop Insurance Act, as amended.

(2) Federal Regulation

The federal regulation for AMA is in 7 CFR pt. 1465.

- (3) This subpart is effective for new enrollments during fiscal year 2020 and forward until superseded. States must continue to administer contracts enrolled before fiscal year 2020 according to the regulations and contract appendix in effect on the date of obligation.

C. Applicability

AMA is available in 16 states where Federal Crop Insurance Program participation is historically low, as determined by the Secretary of Agriculture. These states are Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

D. Responsibilities

NRCS, the Risk Management Agency (RMA), and the Agricultural Marketing Service (AMS) administer the AMA program.

- (i) NRCS is responsible for administering and implementing AMA's conservation provisions.
- (ii) NRCS must work with the Farm Service Agency (FSA) to ensure land offered for AMA is not currently enrolled in the Conservation Reserve Program or the Grassland Reserve Program.

530.201 AMA Funds Management

A. Section 524(b) of the Federal Crop Insurance Act authorizes \$10 million of Commodity Credit Corporation funds each fiscal year for AMA. The President’s Budget, adjustments made to mandatory funds (changes in mandatory programs or “CHIMPs”), or annual appropriations law may affect the authorized funding level. The administering agencies receive a percentage of the authorized funds as follows.

- (1) NRCS—50 percent
- (2) RMA—40 percent
- (3) AMS—10 percent

B. National Priorities and National Measures

- (1) To provide guidance to the state and local levels for achieving the program purposes, NRCS has established the following national priorities.
 - (i) Reductions of nonpoint source pollution (e.g., nutrients, sediment, pesticides, or excess salinity in impaired watersheds consistent with total maximum daily loads, where available) and surface and ground water contamination.
 - (ii) Conservation of ground and surface water resources.
 - (iii) Reduction of emissions (e.g., particulate matter, nitrogen oxides, volatile organic compounds, and ozone precursors and depleters) that contribute to air quality impairment violations of National Ambient Air Quality Standards.
 - (iv) Reduction in soil erosion and sedimentation on agricultural land.
 - (v) Promotion of at-risk species habitat conservation.
- (2) NRCS uses the national priorities to guide annual funding allocations to states and prioritize AMA applications for funding.

530.202 AMA Eligibility

A. Producer Eligibility Criteria

To be eligible for AMA, an applicant must meet eligibility criteria as outlined in subpart C, “Application for Assistance,” with the following exception: AMA is not subject to the highly erodible land and wetland conservation provisions of the Food Security Act of 1985, as amended (16 U.S.C. §§ 3801–3824).

B. Land Eligibility

To be eligible for AMA, the land offered must meet land eligibility criteria in subpart C.

530.203 AMA Planning

A. Improvements available through AMA include structural, management, vegetative, and forest management practices and other improvements that achieve program purposes.

B. The state conservationist determines the eligible conservation practices for AMA. The conservation practices approved by the state conservationist must meet the following criteria.

- (1) Approved in the Field Office Technical Guide (FOTG) and meet the purpose and definition of the conservation practice standard.
- (2) Provide beneficial natural resource conservation or environmental enhancements.

- (3) Meet the intent of the program and identified natural resource concerns.
- (4) Include appropriate operation and maintenance requirements in the conservation practice design to allow the participant to successfully implement the conservation practice to standards and specifications for the practice life span as determined by the Conservation Practice Data Entry System (CPDES) database.

C. Eligible Conservation Practices

(1) Management Conservation

- (i) Land management conservation practices are defined in Title 440 Conservation Programs Manual, Section 502.0 “Definitions.”
- (ii) For contracts obligated in fiscal year 2023 and future years, management practices that address an identified resource concern on the same land unit are limited to a maximum of five separate payments during the term of a contract.

Note: Contracts obligated before fiscal year 2023 were limited to a maximum of three separate payments during the term of a contract, except for cover crops, which were limited to a maximum of five separate payments.

- (iii) Producers may apply for a new AMA contract to apply the same management practice on the same land units if doing so will result in a higher level of quality or conservation benefit.

(2) Structural and Vegetative Practices

- (i) Structural and vegetative practices are defined in Title 440 Conservation Programs Manual, Section 502.0 “Definitions.”
- (ii) NRCS may allow a participant to retrofit structural practices provided that the improvement will result in a documented higher level of conservation benefit (e.g., improved irrigation water conservation efficiency) and is supported by the practice standard. NRCS will only allow retrofitting if it is more cost-efficient than an alternative replacement system and meets the minimum requirements of the conservation practice standard. A payment scenario that supports retrofitting must be available in the cost list for the planner to include it in a contract. NRCS does not allow retrofitting to replace components that the producer must maintain for normal operation of the system within the approved practice lifespan.

D. Ineligible Conservation Practices

Ineligible conservation practices are those—

- (i) Where the sole purpose is to enhance production without creating an identifiable conservation benefit or addressing a natural resource concern.
- (ii) That the producer has already installed to address an identified resource concern on a specific land unit. However, land management practices that address a higher level quality concern may be implemented again on the same land unit. Producers may also apply for AMA financial assistance to implement a management practice to address a resource concern on land within the operation where it has not been previously implemented.
- (iii) Structural or vegetative practices for which the producer received payment on the same land under the same AMA contract unless destroyed for reasons beyond the participant’s control. Refer to subpart G, section 530.64, “Reapplication of Failed Conservation Treatment.”

530.204 AMA Application Processing

NRCS accepts AMA applications on a continuous basis throughout the year. Refer to subpart C, “Application for Assistance,” and subpart D, “Application Processing,” for more information.

530.205 AMA Contracting

The AMA regulatory contract limit is up to 10 years. AMA does not have a minimum contract length.

530.206 AMA Payments and Payment Limitations

A. Eligibility for Payments

Participants who share the cost of installing the conservation practices required by the AMA contract are eligible for AMA financial assistance, with the following exceptions.

- (i) Federal and state agencies, political subdivisions, and entities thereof.
- (ii) Cooperative associations of producers that market commodities or provide services for producers.
- (iii) Producer organizations and cooperatives that provide support to agricultural producers.

B. Payment Rates

AMA payment rates are up to 75 percent of the estimated incurred cost and up to 100 percent of the estimated income forgone. Historically underserved producers may be eligible for a higher payment rate that is not less than 25 percent of the standard payment rate, provided the increase does not exceed 90 percent of the standard payment rate.

C. Program Payment Limitation

- (1) Total payments made either directly or indirectly to a person or legal entity from NRCS, RMA, and AMS under the program may not exceed \$50,000 in any fiscal year.
- (2) NRCS staff must advise AMA participants that by signing the program contract, they are certifying they will not receive payments from AMA more than the payment limitation of \$50,000 per fiscal year from all sources (NRCS, RMA, and AMS).

Note: Members of a tribe are subject to payment limitations, and the tribe must certify that no tribal member will receive more than the payment limitation of \$50,000 per fiscal year.

- (3) To document the producer’s self-certification of payments from NRCS, RMA, and AMS, the designated conservationist must have the participant complete Form NRCS-CPA-1263, “Template for Producer Self-Certification – Fiscal Year Payments,” provided as exhibit 530.220A, with the following actions.
 - (i) If the answer is “I will not be receiving AMA payments from the RMA or AMS in this fiscal year,” the participant is to sign and date the template and NRCS will continue to process the request for payment.
 - (ii) If the answer is “I have received or will be receiving AMA payments from the RMA or AMS in this fiscal year,” the participant must state the amount of payment

received or expected to receive from AMS and RMA and sign and date the template. NRCS may then have to reduce the amount of the NRCS payment to comply with the \$50,000 payment limitation according to subpart F, section 530.50G.

- (4) NRCS must coordinate with AMS and RMA to determine if an NRCS AMA program participant is also participating in their respective programs. This will ensure that the participant will not receive payments in excess of the \$50,000 per-fiscal-year-payment limitation. Field offices must verify AMA fiscal year program payment amounts. If an NRCS AMA payment results in a participant receiving total payments over \$50,000, NRCS must collect the overpayment from the participant.

D. Exceeding Payment Limitation

- (1) NRCS must collect any overpayment when a payment exceeds the payment limitation if the overpayment is due to an NRCS error.
- (2) The applicable agency must collect any overpayment when a payment exceeds the payment limitation due to an AMS or RMA error.

E. Advance Payments.—Advance payments are not authorized under AMA.

530.220 AMA Exhibits

- A. Form NRCS-CPA-1263, “Template for Producer Self-Certification – Fiscal Year Payments”
- B. AMA Regulation—7 CFR Part 1465
- C. AMA Statute

Part 530 – Working Lands Conservation Programs Manual

Subpart Q – Conservation Stewardship Program (CSP)

530.300 General

A. Program Purpose

- (1) The policy in this subpart applies to all Conservation Stewardship Program (CSP) contracts, including renewals, unless otherwise stated.
- (2) Through CSP, NRCS provides financial assistance and technical assistance to participants for the conservation, protection, and improvement of soil, water, energy, and other related natural resources and for any similar conservation purpose as determined by NRCS.
- (3) The program encourages producers to address priority resource concerns and improve and conserve the quality and condition of natural resources in a comprehensive manner by—
 - (i) Undertaking additional conservation activities.
 - (ii) Improving, maintaining, and managing existing conservation activities across the entire agricultural operation to increase or extend the conservation benefits in place at the time NRCS accepts a contract application.
- (4) If conflicts between this subpart and other subparts of this manual exist, the policy in this subpart will prevail.

B. Authority

- (1) This subpart contains NRCS policy, guidance, and operating procedures for the CSP according to the CSP regulation at 7 CFR pt. 1470. Refer to exhibit 530.320D, “CSP Regulation 7 CFR pt. 1470,” and subpart O, exhibit 530.143I, “Food Security Act of 1985 as Amended.”
- (2) This subpart is effective for new enrollments during fiscal year (FY) 2020 and forward until superseded, including new Regional Conservation Partnership Program (RCPP) CSP contracts entered into as part of a 2014 Farm Bill RCPP project. States must continue administering contracts enrolled before FY 2020 according to the regulations and contract appendix in effect on the date of obligation.
- (3) Refer to Title 440 Conservation Programs Manual, Part 529 “Regional Conservation Partnership Program (2014 Farm Bill),” for more guidance related to 2014 Farm Bill RCPP projects that include RCPP-CSP contracts.

C. Applicability

CSP is applicable to all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

530.301 CSP Funds Management

A. Funding Targets and Ranking Pools

- (1) NRCS must target at least 5 percent of available funds to both beginning farmers and ranchers (BFR) and socially disadvantaged farmers and ranchers (SDFR) through the applicable ranking pools and spending plans. Refer to subpart A, section 530.4, “Historically Underserved Individuals and Groups,” of this manual, and Title 440 Conservation Programs Manual, Part 502 “Terms and Abbreviations Common to All Programs,” for more information and definitions of these historically underserved groups.
- (2) States will receive a separate allocation for organic and transitioning-to-organic producers based on the—
 - (i) Number of organic and transitioning-to-organic operations in the state; and
 - (ii) Organic and transitioning-to-organic acres in the state.
- (3) States may establish ranking pools based on watersheds, geographic areas, or other appropriate regions within the state and may consider high-priority regional and state-level resource concern areas.
- (4) States must establish separate funding opportunities for the following.
 - (i) BFR
 - (ii) SDFR
 - (iii) Organic and transitioning-to-organic producers

Note: States may include both organic and transitioning-to-organic producers together.

 - (iv) CSP renewals
 - (v) Agricultural land, including cropland, pasture, or rangeland
 - (vi) Nonindustrial private forest land (NIPF)
- (5) States must identify eight priority resource concern categories for each ranking pool. States may select different priority resource concern categories for each ranking pool.

Note: Before FY 2021, states had to identify five priority resource concern categories for each ranking pool.
- (6) NRCS gives preference to veteran farmers and ranchers (VFR) if they are competing for funding opportunities targeted to BFR or SDFR applicants, by awarding additional ranking points to these VFR applicants.
- (7) NRCS gives preference to covered farmers and ranchers (BFR, SDFR, and VFR) participating in the Conservation Reserve Program – Transition Incentives Program (CRP-TIP). NRCS will award these applicants with additional ranking points during the period covered by Form CRP-1R, “Conservation Reserve Program Transition Incentives Program Contract.”

B. State CSP Preparation Activities

- (1) Develop a list of resource-conserving crops that meet the criteria for implementing a resource-conserving crop rotation or an improved resource-conserving crop rotation.
- (2) Review the Advanced Grazing Management (AGM) conservation activity guide sheet and develop a list that includes only the enhancements offered in the state.
- (3) Review the “Activity List for Participants” and the “Activity List for Planners” provided annually by national headquarters (NHQ).
 - (i) Adjust the activity lists to only include the conservation activities offered in the state. Refer to guidance in section 530.303B for more requirements.

- (ii) Develop required state supplemental information.
- (iii) States may supplement national guide sheets by adding to the criteria or documentation requirements, to the extent the additions do not conflict with national guidance.
- (4) Identify the state priority resource concern categories as described in section 530.301A(5).

530.302 CSP Eligibility

A. All CSP applications must meet—

- (1) Applicant eligibility.
- (2) Land eligibility.
- (3) Stewardship threshold eligibility.

B. Other Eligibility.—Following subpart E, section 530.41B(4), NRCS must verify applicant, land, and stewardship threshold eligibility to indicate that the participant meets the “other eligibility” requirements in the applicable business tool.

C. Applicant Eligibility.—To be an eligible participant for CSP, an applicant must—

- (1) Be the operator, owner, or other tenant of an agricultural operation in the Farm Service Agency (FSA) farm records management system.

Note: Producers must establish or update records with FSA before NRCS may consider them eligible.

- (2) Share in the risk of producing a crop; share in the crop available for marketing from the farm (or would have shared had the crop been produced); and participate in the daily management, administration, and performance of the operation for the land included in the contract.
- (3) Have effective control of the land, as defined in the CSP regulation at 7 CFR pt. 1470. Refer to subpart C, section 530.22D(2), for more control of land guidance.
- (4) For renewal applications, be in compliance with the terms and conditions of the existing contract at the time of application, as determined by NRCS.

Note: This does not mean that the current business tools must show results consistent with the business tools used to evaluate the existing contract (i.e., the same resource concern categories met).

D. Land Eligibility

(1) Agricultural Operation

- (i) An applicant’s agricultural operation includes all eligible and ineligible land as described below, whether contiguous or noncontiguous, that meets both of the following criteria:
 - Under the effective control of the applicant.
 - Operated by the applicant with equipment, labor, management, and production or cultivation practices that are substantially separate from other operations.
 - If the applicant provides NRCS with a written explanation and documentation that supports separate operations based on the criteria

outlined in exhibit 530.320G, “Determining Substantially Separate Operations,” then NRCS must determine whether an applicant has more than one operation and document the determination in writing.

- NRCS must keep all documentation that supports the determination in the participant’s case file.

- (ii) A contract application must include all eligible land associated with an applicant’s agricultural or NIPF operation, except as identified in section 530.302D(4).
- (2) Eligible Land.—The following land may be part of the agricultural or NIPF operation and are eligible for enrollment in the program:
 - (i) Private agricultural land (cropland, pastureland, and rangeland)
 - (ii) Agricultural Indian lands (cropland, pastureland, and rangeland)
 - (iii) NIPF
 - (iv) Associated agricultural land (AAL)

Note: AAL must be associated with an agricultural or NIPF operation and cannot be enrolled on its own.

- (v) Farmstead
- (vi) Public land associated with the land uses described above, if it is under the effective control of the applicant, and is a working component of the producer’s agricultural or NIPF operation.

Note: Refer to Title 180 National Planning Procedures Handbook, Section 600.2 “Definitions” (180 NPPH § 600.2), for land use designation definitions.

Note: An applicant must include AAL and farmstead in the delineation of the operation. However, if these lands may be included in either an agricultural land or NIPF application, the applicant can only include the land in one of the applications.

- (3) NRCS determines land eligibility based on the land use, condition, and management at the time the producer requests assistance and verifies the determination before enrollment.
- (4) Ineligible Land and Other Land Excluded from Enrollment.—The following lands, even if covered by the definition of eligible land, may be part of the agricultural operation, but are ineligible for enrollment in the program.
 - (i) Land enrolled in the Conservation Reserve Program (CRP), 7 CFR Part 1410.
 - **Exception:** If the CRP contract expires at the end of the fiscal year in which the producer plans to enroll in CSP, the producer may include the land in the CSP application and NRCS will assess the land based on the planned future condition.
 - NRCS must remove land that participants enroll in CRP after enrollment in CSP according to section 530.305D(4).
 - (ii) Land enrolled in an easement through the Agricultural Conservation Easement Program – Wetland Reserve Easement (ACEP-WRE) or the Wetland Reserve Program (WRP).

Note: Land enrolled in an ACEP Agricultural Land Easement (ACEP-ALE), Farm and Ranch Lands Protection Program (FRPP) easement, or in an existing

Grassland Reserve Program (GRP) easement or rental agreement may be eligible for CSP, if allowed by these other programs.

- (iii) Land enrolled in an unexpired CSP contract, including previously ineligible lands (AAL and farmstead) under the effective control of the applicant at the time of enrollment and considered part of the agricultural operation under contract.

Note: A participant may only enroll AAL and farmstead under a new contract if the AAL and farmstead meet the criteria for newly acquired, not newly eligible, land.

- (iv) Land used for crop production on or after December 20, 2018, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years before that date, unless that land does not meet such requirements because it—

- Was enrolled in CRP.
- Has been maintained using long-term rotations as determined by the designated conservationist.
- Is incidental land needed for efficient operation of the farm or ranch as determined by the designated conservationist, such as an area of a farm or ranch that was used for structures that have been removed.

Note: When available, NRCS may use FSA records or other documentation such as historical aerial photography and producer records to verify compliance with this crop history requirement.

- (v) Other lands that fail to meet the eligible land described in section 530.302D(2) above or in subpart O, exhibit 530.143Q, “Land Eligibility Chart.”
This includes acres in other land uses as defined by 180 NPPH § 600.2.
- (vi) Newly acquired or newly eligible land on which the applicant cannot demonstrate or document the management system. Once the applicant establishes a documented management system on the land, it will become eligible, and a producer can make a separate application.
- (vii) Leased land for which the applicant does not have effective control for the CSP contract term.

Note: NRCS must document the reason an applicant excludes any land from the application in the case file to ensure the land does not become part of the contract.

E. Stewardship Threshold Eligibility Requirement

- (1) NRCS uses applicable business tools to assess the resource concerns across an applicant’s entire operation based on existing and planned management to determine the stewardship threshold. Refer to exhibit 530.320D, “CSP Regulation 7 CFR Part 1470,” for specific criteria for establishing stewardship thresholds.
- (2) For CSP classic applications, an applicant’s documented conservation activities must meet or exceed the stewardship threshold as follows.
 - (i) At least two resource concern categories at the time of contract offer on all land uses included in the operation.
 - (ii) At least one additional resource concern category by the end of the conservation stewardship contract on at least one land use.

Note: Refer to section 530.306 for policy on earning annual payments.

- (3) For CSP renewal applications, a renewal applicant must, by the end of the renewal contract period—
 - (i) Meet or exceed the stewardship threshold of at least two additional priority resource concern categories on the agricultural operation; or
 - (ii) Implement new or improve existing conservation activities to achieve higher levels of conservation performance for a minimum of two priority resource concern categories met or exceeded in the initial contract.

Note: Refer to section 530.302C for additional renewal eligibility requirements.

Note: Since renewal applications are a continuation of the existing contract, all land uses included in the operation must meet at least two resource concern categories at time of application.

- (4) An applicant may meet or exceed different resource concern categories for each land use.
- (5) If the applicant fails to meet the required number of resource concern categories at the time of application for any land use, NRCS must determine the entire application ineligible.

530.303 CSP Planning

A. Conservation Stewardship Plan

- (1) The conservation stewardship plan includes a record of the participant's decisions and identifies the new conservation activities the applicant agrees to implement to achieve additional conservation performance through the CSP contract. In addition, the conservation stewardship plan must include the existing activity payment (EAP) items as described in section 530.303A(4). Refer to section 530.305A for more guidance on developing the schedule of operations.
- (2) NRCS develops and maintains the conservation stewardship plan using applicable business tools and in accordance with this manual and other national guidance for planning CSP conservation activities.
- (3) When developing the conservation stewardship plan, NRCS may only associate the program code with conservation activities that will receive financial assistance through the contract.
- (4) Planners must schedule two new EAP items, E300EAP1 and E300EAP2, in the conservation stewardship plan. Planners should schedule the EAP items in September beginning the first year of enrollment. Refer to section 530.306 for more information on EAPs and how to calculate E300EAP1 and E300EAP2.
- (5) NRCS must also develop a conservation stewardship plan map following subpart E, "Contract Development and Requirements."

B. Conservation Activities

- (1) General
 - (i) The term "conservation activities" includes conservation systems, conservation practices, enhancements, bundles, management measures, or planning used to address resource concerns.

- (ii) NHQ provides the list of conservation activities and guide sheets to the states and the public.
- (iii) States may only remove conservation activities from the nationally established list if—
 - The state conservation practice database does not include the conservation practice or base conservation practice associated with an enhancement; or
 - When the specific activity is not applicable to the state.
- (2) Enhancements are conservation activities used to treat resource concerns and improve conservation performance. Enhancements address additional considerations or criteria that exceed the minimum requirements of the associated base conservation practice. NRCS identifies the enhancement criteria and implementation requirements in the enhancement guide sheet.

Note: States must use National Instruction Title 300 Part 309, “Guidance for Requesting New Enhancements/Bundles or Revisions,” to develop new or revised enhancements or bundle requests.
- (3) Bundles are land-use specific and consist of at least three enhancements that, when implemented together, improve conservation performance and address multiple resource concerns in a comprehensive and cost-effective manner. Each bundle is its own conservation activity with a unique bundle code.
- (4) Resource-Conserving Crop Rotation (RCCR) or Improved Resource-Conserving Crop Rotation (IRCCR)
 - (i) An RCCR is a rotation that includes at least one resource-conserving crop, as determined by the state conservationist, that reduces erosion, improves soil fertility and tilth, interrupts pest cycles, builds soil organic matter, reduces depletion of soil moisture or otherwise reduces the need for irrigation in applicable areas, and provides protection and habitat for pollinators. NRCS does not consider a fallow crop field as a crop rotation.
 - (ii) An IRCCR must enrich an existing RCCR by adding a growing year for the perennial resource-conserving crop, substituting a perennial resource-conserving crop for a row crop, or changing a perennial legume to a perennial grass or grass/legume resource-conserving crop.
 - (iii) A resource-conserving crop is a crop that is one of the following.
 - A perennial grass.
 - A legume grown for use as a cover crop, forage, seed for planting, or green manure.
 - A legume-grass mixture or grass-forb mixture.
 - A non-fragile residue or high residue crop or a crop that efficiently uses soil moisture, reduces irrigation water needs, or is drought tolerant.
 - (iv) State conservationists must identify resource-conserving crops for their states and make the list available to the public before a ranking period starts.
- (5) Advanced Grazing Management (AGM)
 - (i) AGM is the use of a combination of grazing conservation activities, as determined by NRCS, that provide for improved soil health and carbon sequestration, drought resilience, wildlife habitat (including pollinator habitat), wildfire mitigation,

control of invasive plants, and water quality improvement. AGM may include management-intensive rotational grazing.

Note: An AGM system functions like, but is not, a bundle.

- (ii) Refer to the AGM conservation activity guide sheet for AGM requirements.
- (6) Comprehensive Conservation Plan
 - (i) A comprehensive conservation plan is a conservation plan that meets or exceeds the stewardship threshold for each priority resource concern category identified by NRCS across all land uses in the operation.
 - (ii) Comprehensive conservation plans, like conservation activity plans, require the participant to use a certified technical service provider to develop the plan.

530.304 CSP Application Processing

A. Agricultural land must compete separately from NIPF. Refer to section 530.301A, “Funding Targets and Ranking Pools,” for more guidance.

B. Along with submitting Form NRCS-CPA-1200, “Conservation Program Application,” an applicant must—

- (1) Provide a map that identifies and delineates the boundaries of all eligible land uses and acres included in the operation.
- (2) Identify any ineligible land that is part of the operation as described in section 530.302D(4).

Note: The applicant may provide a map or other documentation that identifies the ineligible land.

C. Producers may apply for another contract when they acquire new land or when previously ineligible land becomes eligible. However, any application for new land must include all new land in the operation under their effective control that is not covered by any existing contract.

D. Contract Renewal

- (1) During the first half of the fifth year of the existing contract term, NRCS may allow a participant to apply and compete to renew their contract for an additional 5-year period. NRCS must establish the contract renewal application deadline early enough to allow adequate time for evaluation and funding before the existing contract expires.
- (2) State conservationists must use exhibit 530.320E, “CSP Contract Renewal Notification Letter,” to notify participants of a contract renewal opportunity.
- (3) Participants applying for contract renewal must submit Form NRCS-CPA-1200 and Form NRCS-CPA-1248, “Contract Renewal Offer Worksheet,” (see exhibit 530.320C) before the renewal application deadline.

Note: If the participant makes operational changes to the existing contract after the participant submits the renewal application, NRCS may determine the application ineligible.

Note: If the original participant requests to transfer the contract after submitting a renewal application, the original participant may transfer the renewal

application to the new participant if NRCS approves the transfer modification before the existing contract expires.

- (4) At least one participant on the renewal application must be the same as the existing CSP contract holder.
- (5) Expired CSP contracts are not eligible for renewal.
- (6) A participant may cancel the CSP renewal application at any time before obligation.
- (7) Refer to section 530.305E for more information on renewal contracts.
- (8) States must notify all unfunded renewal applicants of their status using exhibit 530.320F, “CSP Unfunded Renewal Notification Letter.”

E. Application Evaluation Process

- (1) Refer to subpart D, “Application Processing,” for guidance.
- (2) States must establish ranking criteria based on—
 - (i) The natural resource conservation and environmental benefits that result from the conservation treatment on all state-identified priority resource concern categories at the time of application;
 - (ii) The degree to which the proposed conservation activities increase natural resource conservation and environmental benefit; and
 - (iii) Other consistent criteria necessary to effectively address national, state, and local priority resource concern categories.
- (3) When completing the assessment for the CSP application, NRCS planners must use exhibit 530.320I, “Nationally Applicable Resource Concern Categories for CSP Assessments,” to identify all resource concern categories the planner must assess for each land use included in the applicant’s operation.

Note: States may require assessment of additional resource concern categories applicable to their state and planners may assess any resource concern categories applicable to the specific operation.

F. Field Verification

- (1) NRCS must complete a field verification before contract obligation for all CSP contracts to verify the accuracy of the information provided by applicants and the applicability of planned conservation activities.
- (2) NRCS may use existing documentation in the case file to verify knowledge of the operation and current management system if the documentation was recently verified during field visits completed for payments, spot checks, annual contract reviews, or quality assurance reviews.

Note: NRCS must complete an onsite field verification for applications that include newly acquired or newly enrolled land or where the applicant has made changes to the management system unless NRCS evaluated the new land or management system during a recent field visit.

Note: If NRCS identifies discrepancies between FSA and NRCS records during field verification, NRCS will work with FSA and the applicant to resolve such discrepancies and document the basis for the final determination.

- (3) NRCS must review applicant records when conducting field verification and document whether the information is accurate in the conservation assistance notes or

through another state-approved method. The designated conservationist does not need to collect, store, or recalculate the data in the applicant's records.

- (4) If NRCS finds that applicant records or observations made during field verification do not support information provided by the applicant during the evaluation period, NRCS may determine that the application is ineligible.

530.305 CSP Contracting and Contract Management

A. Schedule of Operations

- (1) For scheduling the existing activity payment contract items, refer to section 530.303A and section 530.306.

Note: Scheduling existing activity payment items does not meet the requirement in subpart E, section 530.41(B)(2)(iv), to schedule a conservation practice or activity for implementation within the first 12 months of the contract.

- (2) Planners must schedule and implement additional conservation activities as follows.
 - (i) Following the conservation activity lifespan and contracting guidance provided on NHQ's annual "Activity List for Planners," and as appropriate, planners must schedule conservation activities to recur for the remaining years of the contract after the first year scheduled.
 - (ii) A participant must schedule and implement at least one additional conservation activity in the contract. Refer to section 530.306 for policy on earning annual payments.
 - (iii) When an applicant only meets two resource concern categories at the time of application, the applicant must schedule and implement a conservation activity to meet or exceed at least one additional resource concern category by the end of the contract as described in section 530.302E.
 - (iv) If the applicant has already met the requirement to address one additional resource concern category by the end of the contract, the applicant may choose to schedule and implement more conservation activities to increase the level of conservation regardless of whether the additional activity meets or exceeds a resource concern category.
 - (v) Applicants who have not yet implemented the base conservation practice may schedule the conservation practice in addition to the enhancement in the CSP contract. If an applicant schedules the conservation practice with an enhancement, the applicant must implement the conservation practice first or at the same time as the enhancement.
 - (vi) Scheduling Bundles
 - The planner schedules the bundle for the year in which the participant will first implement all enhancements included in the bundle.
 - The planner only schedules the bundle activity. The planner may not schedule the enhancements in the bundle individually. Refer to section 530.303B(3).
 - The applicant may select and schedule a bundle if the applicant will be newly implementing the majority (more than 50 percent) of the enhancements in the bundle.

- The applicant may not plan multiple bundles on the same land if the bundles have any enhancements in common or if individual enhancements of multiple bundles are incompatible on the same land use.
 - The applicant, working with the NRCS planner, determines the extent of the bundle to schedule on the land use. The applicant does not need to schedule and implement the bundle on the entire land use or land management system.
- (vii) To adopt an RCCR or IRCCR—
- NRCS considers an RCCR or IRCCR adopted when the participant plants the resource-conserving crop on at least one third of the rotation acres.
 - NRCS schedules all acres of the RCCR or IRCCR beginning in the fiscal year the participant adopts the RCCR or IRCCR and in each subsequent year.
 - The participant must plant the resource-conserving crop on all scheduled acres by the fifth fiscal year of the contract.
- (viii) To adopt an AGM system—
- The applicant must schedule and implement one of the required grazing management enhancements and additional supplemental enhancement as described on the AGM activity guide sheet.
 - The participant must schedule and continue to implement AGM enhancements each year of the contract after adoption, as appropriate.

B. Contract Components

- (1) Subpart E, section 530.42, “Contract Components,” applies to all CSP contracts.

Note: For CSP, the conservation plan and plan map described in subpart E, section 530.42B, are the conservation stewardship plan and conservation plan map as described in section 530.303A, “Conservation Stewardship Plan.”

- (2) NRCS must retain copies of assessment documentation in the participant case file to support the stewardship threshold eligibility and existing activity payment components both at the time of enrollment and for any updates made through a modification.
- (3) For renewal applications and contracts, Form NRCS-CPA-1248, “Contract Renewal Offer Worksheet” (see exhibit 530.320C), is a critical contract document.

C. Contract Requirements

- (1) CSP contracts are for 5 years.
- (2) The participant must maintain and manage all—
- (i) Existing conservation activities across the entire agricultural operation to meet at minimum the level of conservation performance identified at the time of enrollment for the term of the conservation stewardship contract.
 - (ii) Additional conservation activities installed and adopted over the term of the conservation stewardship contract.

D. Contract Modifications

- (1) The state conservationist may only approve a modification request that decreases the performance level if the reason for the decrease is beyond the participant’s control. However, the participant must continue to meet the minimum stewardship threshold

requirements for program participation and continue to meet as many resource concern categories as possible.

- (2) NRCS and the participant may agree to modify the contract to extend the expiration date, not to exceed 5 years from the date of enrollment, to implement policy requirements or perform other administrative actions.
- (3) When NRCS approves a contract transfer from an individual or legal entity to a joint operation, contract limits will not increase due to such a change. However, when a contract transfers from a joint operation to an individual or legal entity, the contract limit will decrease, as applicable. Refer to section 530.306(7)(ii).
- (4) If a CSP participant wishes to enroll in CRP, an ACEP-WRE, or other federal or state program as allowed in the CSP regulation—
 - (i) The participant must request to remove acres from the CSP contract. NRCS must approve the request before the participant can enter into a contract for the new program.
 - (ii) The state conservationist must determine if the other federal or state program provides greater natural resource protection than CSP before approving the modification to remove the acres from the CSP contract.
 - (iii) NRCS must modify the CSP contract to adjust the acres and performance level as applicable.
 - (iv) Participants are not subject to liquidated damages or refund of payments received for enrolling land in a program that provides increased natural resource protection.
- (5) Voluntary Land Use Conversion and Changes to Land Management Systems
 - (i) If a participant wishes to make a land use conversion or change to a land management system, the participant must request and NRCS approve the change before it is implemented in order to remain in compliance.
 - (ii) NRCS must evaluate the proposed change and may need to complete a new assessment to determine if the land continues to meet or exceed the number of resource concern categories met at the time of enrollment and by the end of the contract.
 - (iii) If NRCS approves a land use conversion, the subject acres will retain the contracted land use designation for the life of the contract.
- (6) If the participant continues to have control of the land but wishes to remove acres from production, the state conservationist may approve removal of no more than five cumulative acres from the CSP contract during the contract term. The state conservationist may seek cost recovery of payments received on the acres removed and assess liquidated damages according to subpart I, section 530.85B, “Recovery of Costs and Liquidated Damages.”

Note: This does not apply to acres removed according to section 530.305D(4).

Note: This does not apply when the participant involuntarily loses control of land enrolled in the contract. Refer to subpart G, section 530.60D, “Modification Reasons.”

Note: This does not apply to Indian tribes, which may need to remove more than five cumulative acres from the CSP contract during the contract term to meet tribal needs.

- (7) Partial Land Transfer (PLT) Modifications

For general guidance, refer to subpart G, section 530.60D. In addition, the following applies when processing PLTs for CSP contracts.

- (i) The new contract for the transferred land must maintain the same number of resource concern categories met at time of enrollment as the original contract. The resource concern portion of the EAP for both contracts is based on the original contract. NRCS must adjust the land use EAP to reflect the acres and land uses remaining in the original contract and moved to the new PLT contract.
- (ii) When developing the new contract, there are two situations that may occur based on the schedule of implementation for the transferred land.

- Contract contains only the EAP because no new conservation activities are scheduled on the transferred acres at the time of the transfer. The planner develops a new conservation stewardship plan that includes only the EAP contract items, E300EAP1 and E300EAP2, using the resource concern categories met at time of application from the original contract and the land uses and acres included in the PLT contract. NRCS provides applicable documentation from the original contract to the transferee to be used as supporting documentation for the new contract (this includes, but is not limited to, copies of the original stewardship plan where previously adopted activities included on transferred land must be maintained for the life of the contract due to the activities' lifespan).

Note: NRCS must ensure that the same payment rate and cost list used in the original contract is used for the new contract.

Note: The transferee may not schedule new conservation activities and will not receive an additional activity payment.

- Contract contains EAP and additional activity payment because conservation activities are scheduled on the transferred acreage. The planner develops a new stewardship plan and schedules both the EAP contract items (E300EAP1 and E300EAP2) and the additional conservation activities from the original contract that the new producer will implement on the transferred land.

Note: NRCS must ensure that the same payment rate and cost list used in the original contract is used for the new contract.

Note: The transferee's contract may not include additional conservation activities that were not part of the original contract.

- (iii) NRCS planners do not complete a new assessment for land associated with a partial contract assumption. The new contract inherits the assessments from the original contract and the transferee agrees to maintain the same level of conservation performance agreed to by the transferer on the transferred land.
 - (iv) After NRCS approves a PLT, the agency evaluates any future contract violations based on the land and conservation activities included in each contract.
- (8) NRCS may not delay processing a modification request to transfer land or remove land from a contract in order to make a payment to the initial participant.

Exception: If a participant enrolls land in CRP effective at the beginning of a fiscal year, NRCS must delay completing the modification to remove the acres enrolled in CRP in order to make the correct payment for CSP conservation activities completed in the previous fiscal year.

- (9) NRCS may not approve a cancellation or termination of an existing CSP contract for a producer to enroll land in the CSP Grassland Conservation Initiative (GCI).

E. Renewal Contracts.—Contract renewals are subject to the availability of funds, and the participant must meet all renewal requirements as follows.

- (1) Renewal contract participants must maintain the level of stewardship achieved by the end of the existing contract term. Otherwise, the contract renewal purpose is not met and the contract is ineligible for renewal.
- (2) Participants must include land that is part of their operation, including—
 - (i) All land that was part of the existing contract that remains under their effective control; and
 - (ii) Any newly acquired or newly eligible land under their effective control that was not part of the existing contract.

Note: This includes land previously enrolled under another CSP contract that has expired.

- (3) The participant must agree to implement and continue to integrate new or improved conservation activities across the entire agricultural operation, demonstrating continued improvement during the additional 5-year period. This requirement means that the participant must implement or maintain conservation activities on each land use, but not necessarily on every acre.
- (4) Participants may not schedule conservation activities adopted in the existing contract as new activities in the renewal contract unless they will implement the activities on land that has not yet received the conservation treatment.
- (5) NRCS must schedule new conservation activities planned in a renewal contract to start after the existing contract expires. Participants may not start any financially assisted conservation activities in a renewal contract until the existing contract expires. NRCS may not approve early start waivers as described in subpart C, section 530.23B, for renewal applications or contracts.
- (6) NRCS must obligate the renewal contract before the existing contract expires. The period of performance for the renewal contract begins the day after the existing contract's expiration date. There must be a seamless transition from the existing contract to the renewal contract.

530.306 CSP Payment and Payment Limitations

CSP has four specific payment types: annual, supplemental, comprehensive conservation plan, and minimum payments.

- (1) Annual Payments
 - (i) General

- CSP provides an annual payment made up of contract items for existing conservation activities and additional conservation activities completed in the previous fiscal year.
- Annual payments may vary from year to year depending on the management system agreed to at the time of enrollment and the extent of additional activities completed each year. The annual payment may not include an additional activity component in years where the participant did not implement additional conservation activities.
 - Additional activity payments will be based on the actual extent of the conservation activity the participant completes each year.
 - Existing activity payments will be the same each year, unless NRCS approves a contract change.

Note: A producer enrolled in CSP and earning an EAP does not preclude the producer from receiving payments for conservation practices implemented under other USDA programs.

- To earn payments, the participant must schedule and implement at least one additional conservation activity on a land use included in the contract. If the participant chooses not to schedule an additional activity on a land use, the participant will forego payment for that land use. Refer to section 530.305A for more guidance on scheduling conservation activities.

Note: The participant does not need to implement a conservation activity on the land use each year, but does need to implement a conservation activity on the land use during the term of the contract.

Note: Land uses not receiving annual payments are still enrolled in CSP, and the participant must continue to maintain existing activities following the management system in place at the time of enrollment as documented in the assessment reports.

- Refer to table 530.306-1 for a summary of CSP payment percentages based on conservation activity or payment type.

Table 530.306-1: CSP Payment Percentages

Conservation Activity/ Payment Type	Payment Percentage
Enhancement	100%
Cover crop enhancement	125%
Bundle	115%
Conservation practice	10%
Supplemental payment (RCCR, IRCCR, AGM)	150%

(ii) Determining Annual Payments

- The Chief establishes the payment rates for the existing conservation activities and the additional conservation activities.

- The EAP is made up of two contract items as described in section 530.303A. The EAP is a fixed payment rate for resource concern categories met at the time of application plus a per acre payment by land use.

- A CSP participant's payments for additional and existing conservation activities are calculated as follows:

- **Additional activity payment** formula = $(Y \times Z)$

Where—

Y = unit (acres, feet, etc.) quantity implemented

Z = activity payment rate

- For all contracts obligated before FY 2024, including renewals obligated in FY 2024:

EAP formula = $(A \times B) + ((C \times D) + (E \times F) + \dots)$

Where—

A = the number of nationally required resource concern categories met at the time of application

B = resource concern payment rate

C = acres of land use #1

D = land use #1 payment rate

E = acres of land use #2

F = land use #2 payment rate

Note: Schedule $(A \times B)$ as contract item E300EAP2 and schedule $((C \times D) + (E \times F) + \dots)$ as contract item E300EAP1 with separate components for each land use included in the operation.

Note: “A” is a sum of the nationally required resource concern categories met across all land uses included in the operation.

- For contracts obligated beginning in FY 2024, except for FY 2024 renewals:

EAP formula = $A + ((B \times C) + (B \times D) + \dots)$

Where—

A = flat rate payment

B = land use payment rate based on the resource concern category level from Table 530.306-2 below

C = acres of land use group #1

D = acres of land use group #2

Note: “A” is a flat rate payment paid for each land use included in the operation where an additional activity is scheduled. Schedule as contract item E300EAP2 with separate components for each applicable land use.

Note: Schedule $((B \times C) + (B \times D) + \dots)$ as contract item E300EAP1 with separate components for each land use group.

- Use the CSP summary report from the Conservation Assessment Ranking Tool (CART) to determine the number of resources concern categories met at time of application and the acres for each land use group. Use Table 530.306-2 to determine the payment rate level. Use the payment rate level to determine

the appropriate payment scenario to use for the land use group when scheduling the components of E300EAP1.

Table 530.306-2: Payment rate level based on number of resource concern categories met at time of application determined by land use group (used to determine E300EAP1 components)

Payment Rate Level	Number of resource concern categories met at time of application
1	2-3
2	4-6
3	7 +

Note: AAL and Farmstead will only fall within level 1 or 2.

- (iii) Beginning in FY 2024, except for any renewal contracts obligated in FY 2024, historically underserved participants will receive higher payment rates for the E300EAP1 and E300EAP2 payment components.
- (2) Supplemental Payments
 - (i) Subject to the availability of funds, NRCS may provide supplemental payments to a participant receiving annual payments who agrees to implement an RCCR, IRCCR, or AGM during the term of the CSP contract.
 - (ii) The supplemental payment is based on the additional labor required to implement an RCCR, IRCCR, or AGM system.
 - (iii) Refer to section 530.305A, “Schedule of Operations,” for more information on scheduling supplemental payment activities.
- (3) Comprehensive Conservation Plan (CCP) Payment
 - (i) NRCS may compensate participants who develop a CCP as part of their CSP contract if a technical service provider completes the plan. Refer to section 530.303B(6) for more guidance.
 - (ii) NRCS establishes payment rates for CCPs using a high, medium, low approach based on number of land uses and state priority resource concern categories.
- (4) Minimum Contract Payment
 - (i) As approved by the Chief, NRCS may pay the participant the difference between the contracted amount and \$4,000 in any fiscal year that a contract’s annual payment amount total is less than \$4,000, except as explained below.

Note: Occasionally, rounding adjustments in the business tool may result in a total payment that falls on either side of the established minimum payment amount. Payment increases due to rounding are valid. For rounding adjustments that decrease the payment below the minimum payment threshold, follow National Instruction Title 440 Part 321, “Guidance for Processing Conservation Stewardship Program (CSP) Minimum Payments on Contracts with ProTracts Rounding Issues,” to make an administrative adjustment to ensure the participant receives the minimum payment amount.

Note: The minimum payment amount has increased from \$1,500 to \$4,000 for any contract obligated in FY 2024 or later.

- (ii) The minimum payment does not apply when a participant with an existing CSP contract applies for a new contract to add newly acquired or newly eligible land that is part of the same operation.
- (iii) Minimum payments are separate contract items, and the applicable business tool will automatically generate these items when the total contract amount for any year falls below the minimum payment amount.
- (iv) Planners must ensure that minimum payments are correctly applied and identify contracts for newly acquired or newly eligible land in the applicable business tool.

Note: If a participant has a contract for both agricultural land and NIPF, the participant may receive a minimum payment for each contract, except as described in section 530.306(4)(ii).

(5) Timing of Payments

- (i) As soon as possible after the start of each fiscal year, NRCS makes annual contract payments for conservation activities completed in the previous fiscal year. However, participants may choose to receive payment in the first quarter of the fiscal year or delay their payment until the next calendar year.
- (ii) If the participant fails to maintain the agreed-upon number of resource concern categories by the end of the contract, refer to subpart I, “Contract Violations,” for guidance on handling noncompliance situations. Once NRCS evaluates the circumstances related to the noncompliance, the state conservationist then determines whether the existing activity payment and additional activity payments can be made as scheduled.

Exception: NRCS may make the EAP as scheduled if it determines that the participant cannot fully complete the program requirements due to a significant disaster or related condition (e.g., drought, wildfire, pestilence, hurricane, or flooding). If NRCS makes such a determination, it will not issue Form NRCS-CPA-153, “Agreement Covering Non-Compliance with Provisions of Conservation Program Contract (CPC),” and will consider the program requirements met as long as the participant can provide documentation of stewardship before the disaster. NRCS may also pay for any additional conservation practices or activities implemented by the participant before the disaster if NRCS either certified completion before the disaster or determines that participant documentation confirms completion. For more guidance, refer to subpart G, section 530.64, “Reapplication of Failed Conservation Treatment.”

- (iii) NRCS may approve payments after contract expiration only if the participant had completed the conservation activities and NRCS certified in the applicable business tool that the contract item met requirements before the contract expired.

(6) Prohibited Payments

- (i) A CSP program payment to a participant must not include compensation for the design, construction, or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations.
- (ii) State conservationists must take the following actions to prevent duplicate payments.

- Compare all USDA conservation program payment schedules in their state with the CSP activity list and, based on how the conservation activities are used in their state's programs, compile a list of conservation activities that are or may be duplicative between CSP and other USDA conservation programs.
- Ensure that planners review the enhancement compatibility lists to ensure duplicative enhancements are not planned on the same footprint in the same years.
- Issue state guidance to distribute the list of conservation activities considered duplicative to field personnel to assist in application servicing and contract administration.

(7) Payment Limitations

(i) Person or Legal Entity Payment Limitations

- A person or legal entity may not receive, directly or indirectly, payments that, in the aggregate, exceed \$200,000 for all CSP contracts originally obligated during FY 2019–2024.

Note: Contracts obligated during FY 2019 continue to have an annual payment limitation of \$40,000 per year and are included in the \$200,000 payment limitation described above.

- Indian tribes or Alaska Native corporations with contracts or other special funding arrangements are excluded from the person or legal entity payment limitations. Refer to subpart C, section 530.21B, for more information on payment limitations for Indian tribes or Alaska Native corporations.
- NRCS may not be able to pay participants with multiple CSP contracts if the participant exceeds payment limitations. If this happens, participants must still comply with the terms and conditions of all their contracts.
- NRCS monitors and tracks both direct and indirect payment limitations through a payment limitation service run through the applicable business tool. The payment limitation service runs a check on direct and indirect payment limitations when NRCS—
 - Runs payment instructions.
 - Approves a payment.
 - Approves a modification.
- Payments under the 2014 Farm Bill do not count toward the payment limitations for contracts obligated under the 2018 Farm Bill.

Note: Planners must review Form NRCS-CPA-1245, “Practice Approval and Payment Application,” before obtaining participant signature to ensure the payments shown reflect the correct amount, including any applicable reductions at the time the Form NRCS-CPA-1245 is generated.

(ii) Contract Limitations

- Each conservation stewardship contract with a person or legal entity is limited to \$200,000 over the term of the initial contract period.
- Conservation stewardship contracts with joint operations (FSA business type 2 or 3) may have a contract limit of up to \$400,000 over the term of the initial contract period.

Note: Contracts obligated during FY 2019 allowed higher contract limits only for joint operations using an employer identification number (EIN).

- Indian tribes or Alaska Native corporations are not subject to contract limits. Refer to subpart C, section 530.21B, for more information on contract limits for Indian tribes or Alaska Native corporations.
 - If NRCS approves a contract transfer from a person or legal entity to a joint operation, the contract limitation will not increase due to the change in business type. However, if NRCS approves a contract transfer from a joint operation to a person or legal entity, the contract limit will decrease for the remainder of the contract period. Refer to section 530.305D, “Contract Modifications.”
- (8) States must use payment caps as explained in subpart F, section 530.50G, to keep a contract within the established contract limits. When making these adjustments, states must—
- (i) First, adjust the EAP contract items, but do not reduce any EAP items to zero dollars.
 - (ii) Second, if the contract requires additional adjustments to meet contract limits, apply practice caps to the additional activities.
 - (iii) Apply payment caps across contract items to allow the participant to receive equal annual payments, to the maximum extent practical.
 - (iv) Ensure that after applying payment caps, the annual payment does not fall below the minimum payment amount as described in 530.306(4).

Note: States must not cap contract items to frontload the annual payments.

530.310 CSP Grassland Conservation Initiative (CSP-GCI)

A. General

- (1) This section contains policy specific to the administration of CSP-GCI applications and contracts. Unless otherwise stated, this section contains all relevant policy for CSP-GCI.
- (2) NRCS and the FSA share the administration of CSP-GCI.
- (3) NRCS does not rank CSP-GCI applications.
- (4) Land already enrolled in an unexpired CSP contract is ineligible for enrollment in CSP-GCI. Refer to sections 530.310C(1), and 530.305D(9), of this subpart for more information.

B. CSP-GCI Application for Assistance

- (1) FSA will send letters to producers with potentially eligible land informing them of the opportunity to apply for CSP-GCI and providing an application deadline. NRCS will not announce a signup.
- (2) NRCS may offer producers who receive a letter or are associated with land included in a letter an opportunity to enroll eligible base acres in the CSP-GCI. If NRCS determines that an application is ineligible, follow guidance in subpart C, section 530.23G, to notify the applicant and provide appeal rights.

- (3) NRCS will provide producers a one-time enrollment opportunity. However, producers may choose to enroll in any fiscal year between 2019 and 2024. This means that producers who choose to enroll part of or all FSA-identified eligible base acres will be ineligible to enroll uncontracted acres in a subsequent enrollment period.

Exception: A producer may apply for an additional contract on newly acquired or newly eligible land in a subsequent enrollment period.

- **Example 1.** Eligible base acres exist in an active CSP contract. When the active CSP contract expires, the producer can enroll the acres in a new CSP-GCI contract.
- **Example 2.** FSA identifies additional eligible base acres after the application period ends. The producer can enroll newly identified acres in a new CSP-GCI contract during a subsequent enrollment period.

C. Eligibility

(1) Eligible Land

- (i) FSA determines which farms or tracts contain base acres that may be eligible for CSP-GCI. This may include eligible land described in section 530.302D(2).

Note: Land potentially eligible for the CSP-GCI consists of cropland for which FSA has documented that the producer has maintained the base acres as grass, idle, or fallow for the period January 1, 2009, through December 31, 2017.

Note: The NRCS planner will work with the producer to delineate the acres included in the CSP-GCI application on the eligible farms or tracts.

- (ii) Only base acres FSA determines eligible for CSP-GCI may be enrolled in a CSP-GCI contract; no additional acres may be included in the CSP-GCI contract.

Note: States should consult with FSA when eligible base acres are identified on land that is in nonagricultural use (e.g., buildings, parking lots, roads, permanently flooded).

- (iii) Ineligible land, as described in section 530.302D(4), may not be enrolled in CSP-GCI, even if base acres are identified on these lands.

Exception: The crop history provision (section 530.302D(4)(iv)) does not apply to eligible base acres enrolled in the CSP-GCI.

- (iv) Land previously enrolled in a CSP-GCI contract is ineligible for reenrollment. Refer to section 530.310F(6)(iii).

(2) Applicant Eligibility

CSP-GCI applicants must meet the applicant eligibility requirements in sections 530.302C(1)–(3).

Note: For CSP-GCI, NRCS considers land enrolled under a grassland conservation contract during a crop year to be planted or considered planted to a covered commodity (as defined in section 1111 of the Agricultural Act of 2014 (7 U.S.C. § 9011)) during that crop year.

D. Planning

- (1) Participants must address resource concerns and maintain the minimum level of resource protection provided by grassland or permanent vegetative cover on CSP-GCI eligible land regardless of whether the producer plants a crop on enrolled land.

Note: Permanent vegetative cover may also include other vegetative and woody species.

- (2) Applicants must identify one priority resource concern category that they agree to meet or exceed before the CSP-GCI contract expires. Planners must record the priority resource concern category identified by the applicant in the conservation stewardship plan and the applicable business tool.

Note: Once contracted, a participant may not change the priority resource concern category selected at the time of application.

- (3) NRCS may verify through visual inspection that the participant has met the priority resource concern category and document the determination in the conservation assistance notes in the participant case file.
- (4) NRCS must develop the conservation stewardship plan for the eligible acres and plan conservation activity code E300GCI, “Grassland Conservation Initiative Activity (GCI activity)” as “CSP-GCI.” If the enrolled land is cropped, include any additional conservation activities required to meet grassland resource concerns within the conservation stewardship plan.

Note: Any additional conservation activities must be planned as “CTA” and the participant must adopt and maintain them to receive a CSP-GCI payment.

E. Application

- (1) Producers interested in enrolling in CSP-GCI must comply with all application requirements in subpart C, section 530.22, “Application Requirements.”
- (2) Producers must apply as described in subpart C, section 530.23A, “Submitting Applications.”
- (3) NRCS must confirm with FSA that the land the applicant has identified for enrollment meets CSP-GCI land eligibility.
- (4) NRCS must document the land use and cover of the eligible acres before contract obligation based on a field visit or working knowledge of the farm.
- (5) If NRCS determines that an applicant or the land requested for enrollment in CSP-GCI, is ineligible, follow guidance in subpart C, section 530.23G, for servicing ineligible applications.

F. Contracting

- (1) Policy in subpart E, section 530.42, “Contract Components,” applies to CSP-GCI contracts.
- (2) For CSP-GCI contracts, Form NRCS-CPA-1155, “Conservation Plan or Schedule of Operations,” must include only the GCI activity (code E300GCI) scheduled for all 5 years of the contract.
- (3) CSP-GCI contracts are for 5 years with no opportunity for renewal.
- (4) NRCS must conduct annual contract reviews according to subpart H, section 530.71D “Annual Contract Reviews,” and ensure that the participant continues to

maintain the enrolled land in permanent vegetative cover or is managing enrolled land planted to crops according to the conservation stewardship plan.

- (5) Refer to policy in subpart G, section 530.60D, for guidance related to contract transfers.
- (6) CSP-GCI contract cancellations
 - (i) Participants may request to cancel their CSP-GCI contract, either in whole or in part, at any time and for any reason.
 - (ii) State conservationists may not seek collection of payments previously made through the contract or assess liquidated damages.
 - (iii) If a participant cancels a CSP-GCI contract, the canceled base acreage is ineligible for enrollment in a future CSP-GCI contract.

G. Payment and Payment Limitations

- (1) The CSP-GCI contract payment rate is \$18 per acre, not to exceed the enrolled eligible base acres, and NRCS may only pay for conservation activity E300GCI.
- (2) Payments for additional conservation activities required to meet the minimum level of resource protection provided by permanent vegetative cover cannot be contracted through another program. These conservation activities are included in the \$18 per acre CSP-GCI payment rate.
- (3) NRCS will process CSP-GCI payments following policy in subpart F, “Payments,” and section 530.306(5), “Timing of Payments.”
- (4) Participants enrolled in CSP-GCI are not subject to CSP payment limitations for payments earned through a CSP-GCI contract and no contract limit applies to CSP-GCI contracts.

530.320 CSP Exhibits

- A. CSP Preobligation Checklist
- B. Reserved
- C. Form NRCS-CPA-1248, “Contract Renewal Offer Worksheet”
- D. CSP Regulation—7 CFR Part 1470
- E. CSP Contract Renewal Notification Letter
- F. CSP Unfunded Renewal Notification Letter
- G. Determining Substantially Separate Operations
- H. Reserved
- I. Nationally Applicable Resource Concern Categories for CSP Assessments

Part 530 – Working Lands Conservation Programs Manual

Subpart R – Environmental Quality Incentives Program (EQIP)

530.400 General

A. Program Purpose

- (1) The Environmental Quality Incentives Program (EQIP) provides financial and technical assistance to eligible agricultural and nonindustrial private forest land producers for implementing conservation practices and activities.
- (2) EQIP is authorized to promote agricultural production, forest management, and environmental quality as compatible goals and to optimize environmental benefits by—
 - (i) Assisting producers in complying with local, state, and federal regulations concerning soil, water, air quality, wildlife habitat, energy, and other related natural resource concerns.
 - (ii) Providing flexible assistance to producers in implementing conservation practices or activities on eligible land that address natural resource concerns in a cost-effective and environmentally beneficial manner.
- (3) If conflicts between this subpart and other subparts of this manual exist, the policy in this subpart will prevail.
- (4) Refer to section 530.408, “EQIP Conservation Incentive Contracts,” for policy and guidance specific to EQIP conservation incentive contracts (CIC).

B. Authority

- (1) This subpart contains NRCS policy, guidance, and operating procedures for EQIP in accordance with the EQIP regulation in 7 CFR Part 1466. Refer to exhibit 530.420D, “EQIP Regulation—7 CFR Part 1466,” and subpart O, exhibit 530.143I, “Food Security Act of 1985, as Amended.”
- (2) This subpart is effective for new enrollments during fiscal year (FY) 2020 and forward until superseded, including new Regional Conservation Partnership Program (RCPP) EQIP contracts entered into as part of the Agricultural Act of 2014 (2014 Farm Bill) RCPP project. States must continue to administer contracts enrolled before FY 2020 according to the regulations and contract appendix in effect on the date of obligation.
- (3) Refer to Title 440 Conservation Programs Manual, Part 529 “Regional Conservation Partnership Program (2014 Farm Bill),” for more guidance related to 2014 Farm Bill RCPP projects that include RCPP-EQIP contracts.

C. Applicability

EQIP is available in all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

530.401 EQIP Funds Management

A. Refer to subpart B, “Managing Funds,” for general guidance about setting up and managing program funds, spending limits, and payment schedules.

Note: Refer to annual allocation letters for detailed funding information.

B. Funding Targets and Ranking Pools

- (1) States must target at least—
 - (i) 10 percent of available funds to wildlife habitat related practices.
 - (ii) 50 percent of available funds to livestock related practices.
 - (iii) 5 percent of available funds for beginning farmers or ranchers (BFR).
 - (iv) 5 percent of available funds for socially disadvantaged farmers or ranchers (SDFR).

Note: Refer to Title 440 Conservation Programs Manual, Part 502 “Terms and Abbreviations Common to All Programs” (440 CPM Part 502), for more information and definitions.

- (2) States must set aside funds for conservation innovation grants (CIG) state components, if offering CIGs.
- (3) States must establish separate funding opportunities for BFR and SDFR applicants.
- (4) NRCS must give preference to veteran farmers or ranchers (VFR) if they are competing for funding opportunities targeted to BFR or SDFR applicants. Refer to section 530.404C(4) for information on veteran’s preference.
- (5) States are encouraged to create at least one wildlife habitat-focused ranking pool supported with appropriate funding and applicable conservation practices and activities.
- (6) Additional guidance on targeting funding for EQIP national programmatic and landscape conservation initiatives and source water protection will be provided through a national instruction or other agency directives.
- (7) Other criteria for creating ranking pools include—
 - (i) Grouping applications to the greatest extent practicable by similar crop, forestry, or livestock operations for evaluation purposes or otherwise evaluating each application relative to similar applications.
 - (ii) Developing ranking pools to address a specific resource concern, geographic area, or type of agricultural operation.
 - (iii) Limiting ranking pools to the minimum number needed to rank and approve applications effectively.

Note: Refer to the applicable business tool guidance and National Instruction Title 440 Part 310, “NRCS Program Ranking through Conservation Assessment Ranking Tool (CART)” (440 NI 310), for information on creating ranking pools.

530.402 EQIP Eligibility

A. General Eligibility.—Refer to subpart C, “Application for Assistance,” for general eligibility requirements. For EQIP, the following eligibility requirements must be met.

- (1) Applicant Eligibility

- (2) Land Eligibility
- (3) Resource Concern Eligibility.—At least one natural resource concern must be identified and addressed with an eligible conservation practice or activity.

Note: Refer to section 530.403C when considering expected resource concerns.

B. Applicant Eligibility

- (1) To be an eligible participant for EQIP, an applicant must—
 - (i) Be an agricultural producer according to the policy in subpart C, and
 - (ii) Be within the applicable EQIP payment limitation requirements, specified in section 530.406, “EQIP Payments and Payment Limitations.”
- (2) Additional eligibility considerations include—
 - (i) Historically Underserved and Veteran Applicants.—Participants who are eligible for EQIP and self-certify as meeting the requirements of any of the historically underserved (HU) designations are eligible for the following.
 - Increased Payment Rate.—HU participants must be awarded the applicable payment rate plus an additional rate that is not less than 25 percent above the applicable rate and that does not exceed 90 percent of the estimated incurred costs, as documented in an approved payment schedule. For landowners applying for EQIP, refer to subpart C, section 530.21A(4).
 - Advance Payments.—HU participants may elect to receive advance payments for part of the anticipated costs associated with purchasing materials or services to implement conservation practices based on NRCS-approved practice designs or implementation requirements. Advance payments may be assigned to vendors. Refer to subpart F, “Payments,” and section 530.406B(2) for additional information.

Note: States must follow the guidance in section 530.401 to ensure funding targets are met for BFR and SDFR participants.

- (ii) Water Management Entities.—Defined as a state irrigation district, ground water management district, acequia, land grant-merced, or similar entity that has jurisdiction or responsibilities related to water delivery or management on eligible lands. Water management entities may enter into an EQIP contract if all the following criteria can be met.
 - The water management entity is a public or semi-public agency or organization (i.e., a private or public company that serves a public purpose, such as a public utility).
 - The water management entity’s purpose is to assist private agricultural producers with managing water distribution or conservation systems.
 - The water conservation or irrigation practices support a water conservation project that will effectively conserve water, provide fish and wildlife habitat, or provide for drought-related environmental mitigation.
 - Refer to section 530.404D, “Eligibility of Water Conservation Projects,” for more information on requirements for water conservation projects.
 - Refer to section 530.406, “EQIP Payments and Payment Limitations,” for payment limitation and adjusted gross income (AGI) waiver information specific to water management entities.

Note: Water management entities are not eligible applicants for new RCPP-EQIP contracts selected under a 2014 Farm Bill RCPP project, even if the application is for a water conservation project.

(iii) **Group Project.**—Participants may enroll in group projects according to the guidelines in this subpart. These projects are made up of two or more eligible applicants with two or more operations who intend to pool resources, efforts, finances, or other contributions to collaboratively address the same resource concerns. Group projects are permitted if they would result in a greater conservation benefit than individual participation or would save costs. Depending on the type of project, NRCS may evaluate and rank a group project as:

- **One contract with multiple producers.** A single contract may be appropriate if the success or failure of the project depends on all participants successfully implementing their portions of the project.
 - If one participant violates the contract, the other participants may be impacted.
 - These contracts may be eligible for a higher contract limit. Refer to section 530.406C, “Payment Limitations and Contract Limits,” for information regarding contract limitations.

Example: Multiple producers agree to build an anaerobic digester or replace an irrigation ditch that services several operations.

- **Individual contracts with each participating producer.** Individual contracts may be appropriate if the project can remain successful even if one participant does not complete a contract. These contracts are not eligible for higher contract limits as identified in section 530.406C.

Example: A group of producers recognize that an identified area or region is contributing excess nutrients to a stream. The producers may enter into a group project in which they all agree to implement conservation practices on their individual operations that will reduce the nutrients in the stream. The success or failure of one producer does not impact the ability of the other producers to complete their contracts.

Note: State conservationist may accept one application for group projects or separate applications with each member of the group project.

C. Land Eligibility.

(1) Land included in the EQIP application must be agricultural or nonindustrial private forest land and one of the following.

(i) Privately owned land.

(ii) Publicly owned land that meets all the following criteria.

- The land is a working component of the participant’s agriculture or forest land operation.
- The participant has control of the land.
- The conservation practices to be implemented on the land are necessary and will improve the identified natural resource concern.

(iii) Indian land that meets any of the following criteria.

- The land is held in trust by the United States for individual Indians or Indian tribes.
 - The title of the land is held by individual Indians or Indian tribes, and the land is subject to federal restrictions against alienation or encumbrance.
 - The land is subject to rights of use, occupancy, or benefit of certain Indian tribes.
 - The land is held in fee title by an Indian, Indian family, or Indian tribe.
- (2) Irrigation History Requirements.—Land offered for enrollment in EQIP must have been irrigated for at least 2 out of the last 5 years to qualify for irrigation-related conservation practices and activities that improve water conservation. NRCS provides the following exceptions and waiver opportunity.
- (i) Drought Exception.—Applicants who have been impacted by prolonged drought may still meet the irrigation history requirement without having to request a waiver if all the following conditions are met.
- The land must still meet the “2 out of the last 5 years” criteria, but it is based on the years right before the start of the drought.
 - The drought, as determined by the U.S. Drought Monitor Classification, is at the D2 “Severe Drought” level or higher.
 - NRCS certifies that the current irrigation system is in working condition (aside from the lack of water resulting from the drought).
 - NRCS can show that the irrigation system improvement will result in a significant gain in irrigation efficiency once the drought has ended.
- (ii) Conservation Practice Exception.—When an irrigation-related conservation practice is implemented to apply liquid waste generated from an animal feeding operation (AFO) to pasture or cropland, the irrigation history requirement does not apply.
- (iii) Irrigation History Waiver.—Applicants who are an Indian tribe or who self-certify as a limited resource farmer or rancher or SDFR, may submit a written waiver request for the irrigation history requirement to the state conservationist. The deputy chief for Programs or designee may approve the waiver if the requirements are met as outlined in exhibit 530.420C, “EQIP Irrigation History Waiver Checklist.”
- (3) Water conservation or irrigation practices that are the subject of a water conservation project must be implemented—
- (i) On the eligible land of a producer;
 - (ii) On land that is under the effective control of the water management entity; or
 - (iii) Adjacent to the eligible land of a producer, provided the state conservationist determines the adjacent land is necessary to support the installation of a conservation practice or system on eligible land.
- Note:** Refer to section 530.404D for more information on requirements for water conservation projects.

Note: Land that is under the effective control of a water management entity may be eligible even if it is not agricultural land or nonindustrial private forest land. See exhibit 530.420F, “EQIP Water Management Entity Flowchart.”

D. Documenting Land Eligibility

(1) The applicant is responsible for providing documentation to establish and document land eligibility for EQIP. NRCS may certify agricultural or nonindustrial private forest land eligibility through a visual assessment with corresponding conservation assistance notes. Documentation should include the following information as applicable.

- (i) The crop type produced.
- (ii) The livestock type produced.
- (iii) Whether the land has existing tree cover or is capable of growing trees and is owned by any nonindustrial private forest land individual, group, association, corporation, Indian tribe, or other private entity.

E. Ineligible Land

- (1) Land currently enrolled in other conservation programs may be ineligible for EQIP, including the following:
- (i) Land enrolled in the Conservation Reserve Program (CRP) is ineligible except as stated in section 530.403C(2).
 - (ii) Land enrolled in the Agricultural Conservation Easement Program (ACEP) under the wetland reserve easement (WRE) component or its predecessor, the Wetlands Reserve Program (WRP).

Exception: Under reserved grazing rights of the ACEP-WRE, EQIP may be available for certain grazing-related practices not covered by ACEP.

- (iii) Land enrolled in the Conservation Stewardship Program Grasslands Conservation Initiative (CSP-GCI) is eligible for EQIP only if the proposed conservation practices and activities address a resource concern different from the resource concern being addressed through the CSP-GCI contract.
- (2) Permanently submerged lands unless they meet the criteria in subpart O, section 530.143Q, “Land Use Eligibility Chart.”

530.403 EQIP Planning

A. Eligible Conservation Practices and Activities

- (1) The planning land unit is the minimum treatment area for an EQIP contract. Refer to Title 180 National Planning Procedures Handbook, Part 600 (180 NPPH Part 600) for more information related to conservation planning.
- (2) Eligible Conservation Practices and Activities.—An eligible land-based conservation practice or activity includes only those listed in the conservation practice database and includes:
- (i) Structural, management, vegetative, and other improvements that achieve program purposes according to the Field Office Technical Guide (FOTG). Refer to section 530.406 for information about limits on the number of payments for conservation practices or activities.
 - (ii) Retrofitting of structural practices and activities, if all the following criteria are met.
 - Retrofitting is supported by the conservation practice standard.
 - A higher level of conservation benefit (e.g., irrigation water conservation or water savings) will be documented.

- The resulting conservation practice is more cost effective than an alternative replacement system.
 - It is not only used to avoid normal operation and maintenance of an existing conservation practice.
 - Payment schedule scenarios that support retrofitting are approved through the national payment schedule process before contracting.
- (iii) The three options NRCS began offering as a result of the Conservation Activity Plan (CAP) transition that started in FY 2022 for producers to apply for financial assistance funds to develop the following types of conservation plans and activities:
- Conservation Planning Activities (CPA)
 - Design and Implementation Activities (DIA)
 - Conservation Evaluation and Monitoring Activities (CEMA)

NRCS requires contract participants receiving financial assistance funds for CPAs and DIAs to use a certified technical service provider to develop the plan and design activities. Refer to 440 CPM Part 502, for definitions of these three conservation activities. Refer to subpart D, section 530.31F and subpart E, section 530.40C, for more information related to technical service provider assistance using either financial or technical assistance funds.

Note: Existing EQIP contracts obligated in FY 2021 and earlier may still contain CAPs.

- (iv) A conservation planning assessment, which is a report, as set by the state conservationist, to assess rangeland or cropland function and that includes conservation activities to enhance the economic and ecological management of the land. The assessment may be incorporated into a comprehensive planning document to assist with conservation program delivery and is developed by a—
- State or unit of local government, including a conservation district;
 - Federal agency; or
 - Third-party provider certified to provide technical assistance, such as a certified rangeland professional.
- (3) If land is enrolled in a CSP contract, producers may apply for an EQIP contract to implement conservation practices or activities to treat identified resource concerns. Planners must ensure that the conservation practices and activities implemented under EQIP are not duplicative with conservation practices or activities in the CSP contract.
- (4) Practices that the producer is required to implement to comply with laws, regulations, or permits may still be eligible for EQIP financial assistance and include, but are not limited to:
- (i) Conservation practices and contracts associated with highly erodible land compliance plans and not associated with land in noncompliance.
 - (ii) Compliance with a cease and desist order issued by an administrative body or state agency.
 - (iii) Federal, state, or local agency permit or regulatory requirement.
 - (iv) Agreed-to order from a state administrative or regulatory agency.

B. States must annually review existing conservation practices and activities with input from the state technical committee and make available all appropriate conservation practices and

activities included within the FOTG. States must offer conservation practices and activities that support the national initiatives. Conservation practices and activities must meet the intent of the program and address at least one resource concern.

C. Expected Resource Concerns.—In certain situations on existing agricultural or nonindustrial private forest operations, NRCS may provide financial assistance to address resource concerns that are expected to develop over the life of the contract. NRCS must follow the criteria below when evaluating these requests.

- (1) Changes to Production System or Land Use.—Producers may be eligible for conservation practices and activities that facilitate an environmentally beneficial change when—
 - (i) The change results in a higher level of conservation benefit as documented on Form NRCS-CPA-52, “Environmental Evaluation Worksheet.”
 - (ii) The conservation practices or activities will treat expected resource concerns associated with the change in production system or land use, and without them, the planning criteria cannot be met.

Note: To help ensure the change results in sustained conservation benefit, NRCS may include a corresponding management practice in the contract.

- (2) Conservation Reserve Program (CRP).—To address the expected resource concerns of returning land to production, landowners or operators with active CRP contracts may apply for and enroll their land in EQIP beginning on October 1 of the last fiscal year of the CRP contract. They may begin establishing conservation practices under EQIP at that time. However, they cannot receive payment for those practices until after the CRP contract expires.
- (3) Adapting to Changing Environmental Factors.—Producers adapting their operations due to changes in the natural environment, such as increased weather volatility, drought, or air quality changes, may apply for EQIP funds to implement conservation practices to address the expected resource concerns.
- (4) Adapting to Changing Circumstantial Factors.—Producers adapting their operations to changing circumstances beyond their control, such as new agricultural regulations or changes in the community (e.g., new residential development near the farm, new city or local ordinances affecting urban farms, and adjacent development affecting urban farms), may apply for EQIP funds to implement conservation practices to address the expected resource concerns.

D. Animal Feeding Operations (AFO).—Operations where animals are kept and raised in confined situations must develop a comprehensive nutrient management plan (CNMP). Refer to section 530.405A, “Schedule of Operations,” for information regarding CNMP requirements for contract development. Refer to 440 CPM Part 502 for the definition of AFOs.

- (1) The expansion of an existing AFO is eligible for financial assistance provided all the following requirements are met.
 - (i) The application addresses existing and expected resource concerns associated with expanding an existing AFO.

- (ii) The purpose of the conservation practices or activities is not exclusively to enhance agriculture production without addressing a natural resource concern.
- (iii) The project will result in conservation benefits.
- (iv) The CNMP will be updated to reflect the changes to the AFO.

Note: Expansion of an existing AFO is not limited to land that is contiguous with the existing operation, but state conservationists may establish appropriate screening and ranking criteria to prioritize need based on geographic location or severity of resource concerns to be developed.

- (2) Relocating an existing AFO is eligible when NRCS determines that resource concerns associated with an existing facility cannot be adequately addressed at the existing site but can be addressed at the relocated site. In these cases, the producer must completely remove or repurpose the original facility to ensure that the identified resource concerns do not persist at the original site (e.g., EQIP assistance may be used to relocate an existing AFO facility that is located within a floodplain that has frequent flood events).

Note: Expanding an AFO is not covered by any of NRCS's categorical exclusions (CE). Relocating an AFO out of a 100-year floodplain or the breach inundation area of an existing dam or other flood control structure may be covered under CE 6. Site-specific environmental impacts of expansion or relocation of the AFO must be thoroughly analyzed and documented on the Form NRCS-CPA-52. If the site-specific impacts of the AFO expansion or relocation cannot meet the criteria for using CE 6 described in Title 190, National Environmental Compliance Handbook, Section 610.46 "Categorical Exclusions," or exceed the impacts described and analyzed in the programmatic environmental assessment (EA) or other existing EAs or environmental impact statement (EIS) prepared or adopted by NRCS, states must prepare a site-specific EA or EIS, with a Finding of No Significant Impact (for an EA) or Record of Decision (for an EIS) signed by the state conservationist before proceeding. Refer to the Title 190 National Environmental Compliance Handbook, Part 610, Subpart E, for guidance on preparing National Environmental Policy Act (NEPA) documents. Contact your state environmental liaison for assistance.

E. High Priority Practice

- (1) NRCS, with input from the state technical committee, may designate up to 10 practices to be eligible for increased payments for conservation practices that—
 - (i) Address specific causes of ground or surface water impairment related to excessive nutrients;
 - (ii) Address the conservation of water and declining aquifers and mitigate drought;
 - (iii) Meet other environmental priorities and priority resource concerns identified in habitat or other area restoration plans; or
 - (iv) Are geographically targeted to address a natural resource concern in a specific watershed.
- (2) States may also consider the following for selection of their high priority practices.
 - (i) Practices identified as a priority through assessments completed at the area or state level.
 - (ii) Practices that have high potential for conservation benefit but are underutilized.

- (iii) Specific geographic areas where a practice is historically underutilized.
- (iv) Practices with an underutilized practice purpose (e.g., cover crop purpose is to improve water quality by planting crops that take up excess soil nutrients).

Note: See section 530.406B, “EQIP Payments,” for high priority practice payment rates.

F. Source Water Protection.—There are specific provisions to protect sources of drinking water by identifying practices that have a significant water quality or water quantity benefit and implementing those practices where source waters can be protected or improved. States, with input from community water systems and the state technical committee, should—

- (1) Identify high priority areas for the protection of source waters for drinking water;
- (2) Identify practices that address water quality and water quantity concerns and will target identified threats to community water systems; and
- (3) Offer producers increased incentives and higher payment rates within the identified priority areas as indicated in section 530.406B, figure 530-R1, “Authorized Cost Categories and Maximum Payment Percentages for EQIP.”

Note: States may identify a conservation practice as both a high priority practice and a source water protection practice if the high priority practices meet the criteria for source water protection.

Note: Refer to section 530.406 for information related to higher payment rates.

G. Wildlife Habitat

- (1) States should consult with state technical committees, tribal conservation advisory councils, local work groups, and other stakeholders at least once a year to identify conservation practices that will help address EQIP priorities in wildlife habitat, including:
 - (i) Upland wildlife habitat.
 - (ii) Wetland wildlife habitat.
 - (iii) Habitat for threatened and endangered species.
 - (iv) Fish habitat.
 - (v) Habitat on pivot corners and other irregular areas of a field.
 - (vi) Other types of wildlife habitat, as determined by the state conservationist.
- (2) Other eligible wildlife habitat conservation practices may include:
 - (i) Practices that carry out postharvest flooding; or
 - (ii) Practices on up to 2 acres of working cropland that maintain the hydrology of temporary and seasonal wetlands to maintain waterfowl and migratory bird habitat on working cropland.
- (3) States may offer contracts with a term of up to 10 years with one or more annual management practices for restoration, development, protection, and improvement of wildlife habitat. Refer to section 530.406B(4) for limitations on contracting management practices.

H. Ineligible conservation practices and activities include those—

- (1) For which the sole purpose is to enhance or protect production without addressing a natural resource concern or providing a corresponding conservation benefit.

- (2) That the applicant previously implemented unless the applicant will achieve a higher level of conservation benefit as documented through the conservation planning assessment.

Note: EQIP may be used to reapply a structural or vegetative conservation practice or activity where a resource concern has been identified and the previously implemented conservation practice or activity is past the established lifespan.

- (3) That started or were implemented before contract obligation by the NRCS approving official, unless the state conservationist approved an early start waiver according to subpart C.
- (4) Water conservation or irrigation-related conservation practices on land that has not been irrigated at least 2 out of the last 5 years unless the participant has an approved waiver or exception (see section 530.402C).
- (5) Where the primary purpose is renewable energy production (e.g., generation of electricity or biofuel practices that do not support onsite farm activities).
- (6) That defeat the purpose of EQIP or other conservation program contracts, such as practices that would create or cause a negative onsite or offsite impact.
- (7) That do not address a resource concern directly tied to eligible land, such as a conservation practice implemented entirely within a water area that does not address a resource concern related to the submerged land (e.g., application of a chemical in a pond or reservoir solely to eliminate an invasive or undesirable fish species).
- (8) Used for improvements to residential buildings or other nonagricultural operation-related structures.

530.404 EQIP Application Processing

A. This section provides EQIP-specific guidance regarding application processing and ranking. Refer to subpart A, “General Information,” and subpart D, “Application Processing,” for processing applications and 440 CPM Part 502, for more information and criteria.

B. Accepting Applications

NRCS will—

- (i) Accept applications on a continuous basis.
- (ii) Group applications of similar operation-type for evaluation.
- (iii) Accept group projects, on a single application for evaluation, if applicable.

C. Application Ranking

- (1) Refer to subpart D for more information on screening, assessment, and ranking.
- (2) NRCS should establish ranking pools to address one or more identified resource concerns by geographic area or operation type.
- (3) NRCS should develop an evaluation process using science-based tools where applicable, considering national, state, and local priority resource concerns.
- (4) Ranking criteria may be in the form of questions or based on an assessment of the conservation practices, activities, and resource concerns addressed by the applicant using NRCS business tools. Ranking criteria must be developed with enough factors to establish differentiation among applications.

- (i) States must use the following factors for developing ranking tools and ranking EQIP applications.
 - How effectively and comprehensively the planned conservation practices or activities address the identified natural resource concerns.
 - The magnitude of the expected conservation benefits and the priority of the natural resource concerns.
 - The degree of cost-effectiveness of the proposed conservation project.
 - Use of approved conservation practices or activities that provide long-term conservation benefit.
- (ii) States may also consider the following factors when developing evaluation and ranking tools for EQIP applications.
 - Compliance with federal, state, local, and tribal regulatory requirements concerning soil, water, and air quality, wildlife habitat, and surface and ground water conservation.
 - Ability to improve existing conservation practices (i.e., achieve a higher level of environmental benefit) or systems that are in place at the time the application is accepted or that complete a conservation system.
 - Adaption to or mitigation against increasing weather volatility.
 - Drought resiliency.
 - Other locally defined pertinent factors, such as the location of the conservation practice, the extent of the natural resource degradation, and the degree of cooperation by local producers to achieve environmental improvements.
- (iii) VFR Preference.—For EQIP applications evaluated beginning in FY 2020:
 - NRCS must give preference to VFR applicants competing for funding opportunities targeted to BFR or SDFR applicants by awarding these VFR applicants with additional ranking points.
 - VFR applicants evaluated for any funding opportunity other than those targeted to BFR or SDFR applicants may still qualify for HU benefits, including higher payment rates and advance payments, but do not receive preference and will be screened and ranked the same as any other eligible application in that funding opportunity.
- (iv) For ranking pools that include water conservation or irrigation-related conservation practices that address “insufficient water” resource concerns, the state conservationist may prioritize applications, consistent with applicable state laws, meeting the following criteria.
 - The water conservation or irrigation project would reduce water use in the agricultural operation; or
 - The applicant agrees to not use any associated water savings to bring new land (other than incidental land needed for the operation to be efficient) under irrigation production, unless the applicant is participating in a watershed-wide project approved by the state conservationist that will effectively conserve water.
- (v) Applicants who bring new land under irrigation may be awarded this “water conservation” ranking criterion if participating in a watershed-wide project that

will effectively conserve water. Refer to section 530.404D for requirements for certain water conservation projects.

Note: The purpose of this policy is to establish priority of applications to address water conservation through screening and ranking. It is not related to program land eligibility requirements for irrigation history as found in section 530.402.

- (vi) NRCS gives preference to covered farmers and ranchers (BFR, SDFR, and VFR) participating in the Conservation Reserve Program-Transition Incentives Program. NRCS must award these applicants with additional ranking points during the period covered by Form CRP-1R, “Conservation Reserve Program Transition Incentives Program Contract.”
- (5) The EQIP statute prohibits bidding down, which includes—
 - (i) Ranking criteria that awards points for conservation practices or activities that will not be financially assisted in the EQIP contract.
 - (ii) Prioritizing an application over another just because the application provides the least cost to the program.
 - (iii) Changing or adjusting conservation practices after the application has been ranked to give it a better ranking score.

Note: Refer to the applicable business tool guidance and 440 NI 310 for information on application ranking.

D. Eligibility of Water Conservation Projects.—Water management entities may request assistance in a watershed-wide water conservation project.

- (1) NRCS may enter into an EQIP contract with a water management entity if the contract is under a watershed-wide project that meets the following criteria.
 - (i) The project has a current, comprehensive water resource assessment.
 - (ii) The project plan incorporates at least one of the following practices:
 - Water conservation scheduling, distribution efficiency, or soil moisture monitoring.
 - Irrigation-related structural or other measures that conserve surface or ground water, including aquifer recovery practices.
 - A transition to water-conserving crops, water-conserving crop rotations, or deficit irrigation.
 - (iii) The project sponsors have consulted relevant state and local agencies.
- (2) Applications from a water management entity for an EQIP contract will be determined ineligible if the state conservationist (or designee) determines that the conservation practices encompassed by the proposed EQIP contract are better suited under the RCPP or, for watershed projects, under Public Law 566. When making this determination, the state conservationist may consider the following factors.
 - (i) Whether the estimated contract cost for the minimum area required for the EQIP contract greatly exceeds the EQIP payment limitation for water conservation projects.
 - (ii) Whether the project requires a site-specific EA or EIS because its potential adverse impacts have not been adequately analyzed under a NEPA review, or the proposed contract practices have not been adequately analyzed in the EQIP

programmatic EA or other existing NEPA document prepared or adopted by NRCS.

Note: Individual producers who do not qualify as a water management entity but are collaborating on water conservation or irrigation efficiency practices may enter into a group contract. Refer to section 530.402B(5).

Note: Refer to section 530.402D and section 530.406 for information related to land eligibility requirements for water conservation projects, and EQIP payment rates and payment limitations for water management entities.

E. Application Approval

- (1) The state conservationist or designee must periodically approve the highest-ranked eligible applications for funding based on the NRCS ranking process and established deadlines.
- (2) Before approving EQIP applications, complete the checklist in exhibit 530.420A, “EQIP Preobligation Checklist.”
- (3) Refer to subpart C and subpart D for more information about accepting, selecting, and approving applications.

530.405 EQIP Contracting and Contract Management

A. Schedule of Operations

- (1) The EQIP schedule of operations may be derived from the applicant’s NRCS conservation plan and is certified by NRCS or another approved planner and recorded in NRCS business tools. Refer to subpart D for general guidance on the schedule of operations and subpart O, exhibit 530.143K, “Business Tools Quick Reference,” of this manual. Additionally:
 - (i) The EQIP schedule of operations must include a description of the participant’s conservation objectives (including a quantitative or qualitative goal), a description of conservation practices or activities, a schedule, and the information needed to evaluate the effectiveness in achieving the conservation objectives.
 - (ii) The EQIP schedule of operations is used to record HU applicants’ election to receive or not receive an advance payment on a contract item basis. Additionally, any contract modifications that add conservation practices or activities to HU participant contracts will allow recording of the advance payment. Refer to section 530.406 for more information about advance payments.
 - (iii) The contract period will last from the date of obligation through the last scheduled conservation practice or activity, not to exceed 10 years.
 - (iv) The contract expiration dates may be extended, not to exceed EQIP regulatory limits, to provide more time to ensure full establishment and sustainability of the project or for conservation practices with a long lifespan that may need more monitoring to ensure continued operation and maintenance, such as composting facilities. Refer to subpart E, section 530.43, “Contract Requirements,” for more guidance.
- (2) If an EQIP schedule of operations includes an animal waste storage or treatment facility on an AFO, the participant must have an NRCS-approved CNMP before implementing any waste storage or treatment facility or associated nutrient

management activities. The CNMP must account for resource concerns and conservation practices and activities planned for an AFO associated with storing, treating, land applying, or handling (transferring) of animal waste or organic byproducts, such as animal carcasses.

- (i) The requirement for developing a CNMP only applies to an AFO where animals are kept and raised in confined situations. Refer to 440 CPM Part 502, for the definition of animal feeding operations.
- (ii) For contracts obligated before December 20, 2018, implementation of conservation practices and activities cited in the CNMP is required by the end of the contract period, regardless of financial assistance provided.
- (iii) For contracts obligated after the passage of the 2018 Farm Bill, contract participants may progressively implement conservation practices and activities cited in the CNMP, provided that the following criteria are met.
 - The conservation practices included in the schedule of operations help address or improve a resource concern and are operable and function as intended when implemented.
 - The participant follows an existing nutrient management plan or includes in their contract a nutrient management conservation practice that addresses the application of animal waste, unless all of the manure is sold or transferred to another operation.
 - The participant selects the conservation practices in the system that will treat the resource concern to a level that meets or exceeds the planning criteria in the FOTG. This means the primary conservation practice and all facilitating conservation practices must meet or exceed the planning criteria.
- (3) If an EQIP schedule of operations includes forest-related conservation practices or activities on forest land, the participant must implement conservation practices and activities consistent with an approved forest management plan. A forest management plan is a site-specific plan that is prepared by a professional resource manager, in consultation with the participant, and is based on criteria approved by the state conservationist. Forest management plans include a forest stewardship plan as specified in section 5 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C § 2103a), another practice plan approved by the state forester or Indian tribe, or another plan determined appropriate by the state conservationist.

Note: State conservationists must ensure that any approved forest management plan meets the criteria of [Title 190 National Forestry Manual, Part 536 “Conservation Planning.”](#)

- (4) A participant may receive assistance to implement an EQIP schedule of operations for water conservation if the assistance will help reduce surface and ground water use on the agricultural operation or the producer is participating in a watershed-wide project approved by the state conservationist that will effectively conserve water.
- (5) If an EQIP schedule of operations includes practices or activities that facilitate a change in land use, the planner may also schedule appropriate management practices to ensure the land use change provides conservation benefits. Refer to section 530.403C.

- (6) The state conservationist, with advice from the state technical committee, may include additional requirements in the EQIP schedule of operations by publishing a state supplement to this manual. Refer to subpart A for guidance related to supplements of the manual.

B. Advance Payment Review

- (1) After NRCS makes an advance payment to an HU participant, the designated conservationist must complete a contract review to verify that the participant expended the advance payment within 90 days of receipt of the funds. Refer to subpart H, section 530.71, “Review Types,” for information about annual contract reviews and recording the status of the advance payment. Additionally:
 - (i) If a participant does not expend the advance payment within 90 days of receipt of the funds, NRCS must notify the participant through an advance payment collection letter that the advance payment funds must be returned. Appeal rights will be provided. Refer to exhibit 530.420E, “Advance Payment Collection Letter.”
 - (ii) The participant will receive a debt collection notice from the National Finance Center (NFC). If the participant fails to return the advance payment as directed by the NFC’s notice, NRCS must terminate the contract and provide the applicable appeal rights.

Note: The requirement to return funds not expended within 90 days of receipt is statutory and NRCS does not have the authority to waive cost-recovery of advance payments or to provide more time to expend the funds.

- (2) Conservation practices for which advance payments have been made must be implemented according to Form NRCS-CPA-1155, “Conservation Plan or Schedule of Operations,” or Form NRCS-CPA-1156, “Revision of Plan/Schedule of Operations or Modification of a Contract,” as agreed to by the participant. Additionally:
 - (i) For participants who expended the advance payment but are unable to complete the conservation practice according to Form NRCS-CPA-1155 or Form NRCS-CPA-1156, the contract will be considered noncompliant.
 - (ii) In some extreme and very limited circumstances, the state conservationist may waive cost-recovery and allow the participant to retain all or a portion of the advance payment if all of the following apply.
 - The participant expended the funds within 90 days of receipt of the funds on goods or services.
 - The participant made appropriate efforts to comply with the practice implementation terms but was unable to do so for reasons beyond the participant’s control.
 - The condition that caused the participant’s inability to comply did not exist at the time the contract was approved.
 - The participant can provide sufficient documentation to support the hardship condition.
 - The decision coincides with the approval of a cancellation request.

Example: The participant used the advanced funds to secure goods and services, but during installation, the practice was destroyed by a storm or fire event and the

participant does not have the financial resources to reestablish the practice or replace the destroyed materials.

Note: This policy cannot be used to waive recovery of an advanced payment in which the participant did not expend the funds for the intended purpose.

- (3) Refer to subpart H, “Contract Reviews and Quality Assurance,” and subpart I, “Contract Violations,” for information about completing reviews and addressing noncompliance and contract violations.

530.406 EQIP Payments and Payment Limitations

A. General

This section provides program-specific guidance for EQIP payments and payment limitations. Refer to subparts B and F of this manual and Title 300, Land Treatment Programs Handbook, Part 600 “Payment Schedules” (300 LTPH Part 600), for general information regarding program payments.

B. EQIP Payments

(1) Maximum EQIP Payment Schedule Percentages and Authorized Cost Categories

The maximum payment percentages are payment limitations authorized by the Chief or designee within the authority provided through the applicable program statute or regulation. The maximum EQIP payment percentages allowed for each cost category are provided in Figure 530-R1 below. Refer to subpart B of this manual and 300 LTPH Part 600 for more guidance regarding the development of payment schedules for EQIP.

Figure 530-R1: Authorized Cost Categories and Maximum Payment Percentages for EQIP

Cost Category	General Percentage	HU Percentage	High Priority Practice	Source Water Protection
Materials	75	90	90	90
Equipment for installation	75	90	90	90
Labor	75	90	90	90
Mobilization	75	90	90	90
Acquisition of technical knowledge	75	90	90	90
Income forgone	100	100	100	100

Note: Program payment percentages for HU participants must be at least 25 percent above the otherwise applicable program payment percentage, not to exceed 90 percent.

(2) Advance Payments

- (i) Refer to Title 440 Conservation Programs Manual, Part 515 “Environmental Quality Incentives Program,” for provisions related to 2008 and 2014 Farm Bill advance payments.

- (ii) Contracts approved under the 2018 Farm Bill and forward are subject to the following requirements.
- NRCS must notify HU producers of the opportunity to receive advance payments before application approval and record the producer's decision on whether to receive an advance for each contract item. HU producers may change their decision. Refer to section 530.405B regarding requirements for documenting the producer's decision.
 - HU participants may elect to receive an advance payment of not less than 50 percent of the EQIP conservation practice payment amounts to purchase materials or services associated with practice implementation. National headquarters will establish maximum limits for the extent of advance payments.
 - Before approving an advance payment, NRCS must explain that the HU participant must spend the advance payment within 90 days of receipt of the funds. NRCS does not have authority to provide more time to expend advance payment funds.
 - Participants must spend advance funds within 90 days of receipt.
 - The conservation practices or activities associated with advance payments must be completed as scheduled on the EQIP schedule of operations.
 - Contracts with an advance payment must be reviewed to document the status of the advance funds. Refer to section 530.405B for more compliance guidance for contracts with advance payments.
- (3) In addition to the policy found in subpart F, section 530.50G, states may use payment caps to manage limited funding and control costs of expensive practices like anaerobic digesters. When setting payment caps, states must—
- (i) Identify the payment cap for specific conservation practices and publicize this information no later than the EQIP application period announcement.
 - (ii) Not establish an extent cap for any conservation practice or activity, unless otherwise authorized, such as for conservation practices and activities supported by an interim practice standard. States must not establish a maximum number of acres that can be contracted for any practice.

Note: States may establish a higher payment cap for HU producers versus non-HU producers to ensure the HU producers receive the higher payment rate for which they are eligible.

- (4) Limitations for payments to implement conservation practices and activities on the same land:
- (i) Multiple payments for structural and vegetative practices are generally not allowed for implementing the same practice on the same land or location within the practice lifespan.

Exception: Multiple payments for Brush Management (Code 314) and Herbaceous Weed Treatment (Code 315) are allowed if all of the following criteria are met.

- Successive implementation of Brush Management (Code 314) or Herbaceous Weed Treatment (Code 315) will not exceed three payments for either practice on the same land.

Note: If the participant followed NRCS standards and specifications and the planned treatment did not achieve the intended level of control, the policy in subpart G, section 530.64, “Reapplication of Failed Conservation Treatment,” may apply.

- The state has consulted with the national rangeland management specialist to ensure the targeted plants for control require multiple-year treatment.
 - The targeted plant species is resilient in the plant community of the treatment area.
 - A site-specific technical determination finds that:
 - Additional treatments are necessary to achieve effective control of pervasive plant species through reapplication.
 - The pervasive plant species will ultimately be controlled to a desired level of treatment based on the ecological site description’s steady state.
- (ii) For contracts obligated in FY 2023 and beyond, NRCS limits the number of separate payments to a maximum of five for land management practices that address an identified resource concern on the same land unit within the maximum contract length of 10 years.

Note: Contracts obligated before FY 2023 were limited to a maximum of three separate payments during the term of a contract, except for cover crops, which had a maximum of five separate payments during the term of a contract to address resource concerns related to soil health.

- (iii) Multiple payments for Conservation and Monitoring Activities (CEMA) are allowed, but limited based on the practice lifespan according to the following criteria.
- NRCS does not limit the number of separate payments for CEMAs with a 1-year lifespan on the same land unit within the maximum contract length allowed by the program.
 - All other CEMAs may be supported through EQIP following the same policy requirements for the structural and vegetative practices implemented on the same land. Refer to section 530.403A for more information.

(C) Payment Limitations and Contract Limits

(1) Person or Legal Entity Payment Limitations

- (i) A person or legal entity may not receive, directly or indirectly, payments that, in the aggregate, exceed \$450,000 for all EQIP contracts entered into during FY 2019–24.
- (ii) Contracts associated with the National Organic Initiative that are obligated after the passage of the 2018 Farm Bill may not exceed \$140,000 in aggregate, and they have no annual payment limitation. The Chief is not authorized to waive the payment limitation for the National Organic Initiative.

- (iii) Indian tribes or Alaska Native corporations with contracts or alternative funding arrangements are excluded from the person or legal entity payment limitations. Refer to subpart C, section 530.21, “Producer Types with Additional Considerations,” for more information on payment limitations for Indian tribes or Alaska Native corporations.
- (iv) NRCS monitors and tracks both direct and indirect payment limitations through a payment limitation service in the applicable business tool. The payment limitation service runs a check on direct and indirect payment limitations when NRCS runs payment instructions, approves a payment, and approves a modification.
- (v) Payments under the 2008 or 2014 Farm Bill do not count toward the payment limitations for contracts obligated under the 2018 Farm Bill.

Note: Planners must review Form NRCS-CPA-1245, “Practice Approval and Payment Application,” before obtaining participant signature to ensure payments shown reflect the correct amount including any applicable reductions at the time the form is generated.

(2) Contract Limitations

- (i) Each EQIP contract with a person or legal entity is limited to \$450,000 over the term of the contract.
- (ii) EQIP contracts with joint operations (FSA business type 2 or 3) may have a contract limit of up to \$900,000 with an approved waiver from the Financial Assistance Program Division (FAPD) director.
- (iii) Group contracts may have a contract limit of up to \$900,000 with an approved waiver from the FAPD director.
- (iv) Indian tribes or Alaska Native corporations are not subject to contract limits. Refer to subpart C, section 530.21, for more information regarding contract limits for Indian tribes or Alaska Native corporations.
- (v) Contracts transferring from a person or legal entity to a joint operation will not have their contract limits increased due to the change in business type. Contracts transferring from a joint operation to an individual or legal entity may need a payment cap to prevent the participant from exceeding payment limitations. Refer to subpart G, section 530.60D, “Modification Reasons,” for information on land transfers.

(3) Water Management Entities.—The FAPD director may approve an AGI and payment limitation waiver for eligible projects with water management entities if the waiver is needed to fulfill the objectives of the project. Approved payment limitation waivers may not exceed an aggregate payment limit of \$900,000 to the water management entity or any of its member for all contracts entered into under the water conservation project authority during the 2018 Farm Bill period NRCS must consider the following criteria when determining whether to approve a payment limitation waiver for a water management entity.

- (i) The number of producers who would benefit from the water conservation project.
- (ii) The conservation value of the conservation practices and activities involved in the project.
- (iii) The nonfederal assets leveraged for the project.
- (iv) The extent of progressive practice implementation.

Note: Farm Tract Eligibility does not apply to contracts with water management entities. Refer to subpart O, exhibit 530.143C, “Program Eligibility Matrices for Individuals, Entities, and Joint Operations,” for more information on eligibility applicability. An override may be needed to accommodate Farm Tract Eligibility applicability for water management entities, which may be requested through the AGI waiver process.

Note: The FAPD director may approve an AGI waiver at the same time as a payment limitation waiver for the water management entity, as applicable. If a payment limitation is approved, then the contract limitations should also be waived to a corresponding amount, up to \$900,000.

Note: The payment limitation associated with water management entities and its members is separate and not attributed to the \$450,000 general EQIP payment limitation.

530.407 Conservation Innovation Grants

Refer to Title 440 Conservation Programs Manual, Part 526 “NRCS Grants,” for policy guidance on conservation innovation grants.

530.408 EQIP Conservation Incentive Contracts

A. General

The 2018 Farm Bill introduced EQIP conservation incentive contracts (CIC) for producers who implement, adopt, manage, and maintain incentive practices that effectively address at least one priority resource concern within a state-identified high priority area. These contracts provide payments for incentive practices and can be a steppingstone for producers between EQIP classic and CSP.

Note: States must follow national guidance on EQIP CIC provided by national headquarters.

B. High Priority Areas and Priority Resource Concern Categories

State conservationists, with input from the state technical committee, must identify priority resource concerns and areas of high priority for each state.

(i) High priority area

- High priority areas must represent areas of significant concern.
- States must identify at least one high priority area within every region of the state. When establishing regions, states may consider:
 - Administrative areas
 - Biophysical (such as watersheds, major land resource areas, or others)
 - Agroecological (such as areas predominately cropland or pastoral)
 - The entire state, if there is not sufficient basis to delineate separate areas administratively, biophysically, or agroecologically, as determined by the state conservationist. High priority areas may overlap with other high priority areas.

(ii) Priority resource concern categories

- States may identify up to three priority resource concern categories for each land use within a given high priority area.
- The same priority resource concern categories may be used for more than one land use within the same high priority area.
- For each priority resource concern category, states must identify the incentive practices that will be available for payment under an incentive contract.

Note: Information about EQIP CIC must be publicized. Refer to subpart A, section 530.5, “Information, Outreach, and Training,” for specific guidance.

C. CIC Selection

Applications must be accepted and processed following EQIP policy within this subpart, subpart D, and subpart E, “Contract Development and Requirements.” Additional requirements for selection:

- (i) Priority will be given to applications that address eligible priority resource concern categories.
- (ii) Applications will be evaluated relative to other applications for similar agriculture and forest operations.
- (iii) Applications must contain at least one qualifying incentive practice.

D. CIC Development

(1) CIC Requirements

- (i) The participant must agree to implement one or more incentive practices.
- (ii) The minimum contract area is the planning land unit. Refer to 180 NPPH Part 600 for more information related to conservation planning.
- (iii) A payment for technical services may be included in the contract. Refer to subpart E, section 530.40C, for information related to technical service providers.

(2) Initial contract terms must—

- (i) Identify all incentive practices to be implemented, the timing of practice installation, responsibilities of the participant, the operation and maintenance requirements for the practices, and applicable payments allocated to the practices under the contract.
- (ii) Specify any other provision determined necessary or appropriate by NRCS to achieve the technical requirements of a conservation practice or purposes of the program.
- (iii) Have an initial contract length to achieve the desired conservation benefits and be a minimum of 5 years, not to exceed a total of 10 years.

(3) Contract Extensions

- (i) Subject to the availability of funds, NRCS reserves the right to extend contracts beyond the initial contract period, not to exceed a total of 10 years, provided that:
 - It furthers the purpose of the program, as determined by NRCS,
 - Science-based criteria are used to determine an appropriate extension necessary.

- (ii) All practices and activities included in the contract extension must be included in the conservation plan and environmental evaluation (Form NRCS-CPA 52).
 - (iii) If there is not enough funding to extend similarly situated incentive contracts, NRCS may use a ranking process to determine which contracts will result in the greatest conservation benefits. Ranking criteria must be consistent with section 530.408C above and with the purposes of the initial signup.
- (4) NRCS may terminate a contract following the provisions of subparts H and I.

E. CIC Payments

(1) Implementation Payment.

- (i) Implementation payments are made for structural or vegetative practices necessary to support annual payments and address priority resource concerns.
- (ii) The maximum EQIP payment percentages allowed for each cost category are provided in Figure 530-R1 in section 530.406.
- (iii) Make implementation payments as soon as possible once a structural or vegetative practice is implemented.

(2) Annual Payment

- (i) Annual incentive practices consist of management practices and other annual incentives as identified by NRCS.
- (ii) Annual incentive practices must reoccur each year for the life of the contract, as applicable, to ensure the conservation benefits are maintained.
- (iii) Eligible costs for annual payments include up to 100 percent of the costs associated with the following.
 - Operation and maintenance of the practice to meet the intended purpose for its lifespan. Eligible costs to support operation and maintenance include:
 - Materials
 - Equipment for installation
 - Labor
 - Mobilization
 - Acquisition of technical knowledge
 - Income foregone by the participant, including payments to address, as appropriate:
 - Increased economic risk
 - Loss in revenue due to anticipated reductions in yield
 - Economic losses during transition to a resource-conserving cropping system or resource-conserving land uses
- (iv) Ineligible costs for annual payments are those associated with losses of income due to disaster or other events unrelated to the conservation practice.
- (v) Payments for annual incentive practices may be made as soon as possible after October 1 of each fiscal year in which increased levels of conservation are maintained during the term of the contract.

Note: Actions scheduled and completed within the current calendar year may be paid after October 1 of that calendar year without having to wait until the following fiscal year.

- (3) Advance payments may be made to HU participants for incentive practices according to sections 530.405 and 530.406.

Note: Refer to subparts B and F of this manual and 300 LTPH Part 600 for guidance on payment types and payment schedules.

F. Aggregate payment limitations

(1) Aggregate payment limitation.

- (i) The total amount of payments paid to a person or legal entity, directly or indirectly, under all EQIP CICs entered into during the period of FY 2019–24 may not exceed an aggregate of \$200,000.
- (ii) Payments received for technical assistance are excluded from the payment limitation.
- (iii) The payment limitation cannot be waived.
- (iv) EQIP CIC payments do not apply towards the \$450,000 EQIP payment limitation.

(2) Contract Limitations—

- (i) Each EQIP CIC with a person or legal entity is limited to \$200,000 over the term of the contract period.
- (ii) EQIP CIC with joint operations (FSA business type 2 or 3) may have a contract limit of up to \$400,000 over the term of the contract period.
- (iii) Indian tribes or Alaska Native corporations are not subject to contract limits. Refer to subpart C, section 530.21B for more information regarding contract limits for Indian tribes or Alaska Native corporations.
- (iv) Contracts transferring from a person or legal entity to a joint operation will not have their contract limits increased due to the change in business type. Contracts transferring from a joint operation to an individual or legal entity may need a payment cap to prevent the participant from exceeding payment limitations. Refer to section 530.406C.

530.420 EQIP Exhibits

- A. EQIP Preobligation Checklist
- B. Reserved
- C. EQIP Irrigation History Waiver Checklist
- D. EQIP Regulation—7 CFR Part 1466
- E. Advance Payment Collection Letter
- F. EQIP Water Management Entity Flowchart
- G. EQIP AGI Applicability and Payment Limitation Waiver Request Worksheet for WMEs

Part 530 – Working Lands Conservation Programs Manual

Subpart S – Regional Conservation Partnership Program – Land Management and Rental Producer Contracts

530.500 General

A. Purpose

- (1) The policy in this subpart applies to Regional Conservation Partnership Program (RCPP) classic land management (LM) and rental activity producer contracts (jointly land management and rental (LMR) producer contracts) for the RCPP authorized under the 2018 Farm Bill.
- (2) This subpart supplements subpart F, “Program Contracts,” of Title 440 Conservation Programs Manual, Part 531 “Regional Conservation Partnership Program” (440 CPM Part 531). For the purpose of this subpart, the term “program contracts” means RCPP LMR producer contracts.
- (3) RCPP LMR producer contracts provide technical assistance (TA) and financial assistance (FA) to help producers address resource concerns, implement RCPP projects, and achieve RCPP project-specific conservation benefits.
- (4) After entering into programmatic partnership agreements (PPA) with partners, NRCS may enter into producer contracts with eligible producers (or supplemental agreements (SA) with eligible partners) to provide program assistance in implementing eligible activities. This subpart only addresses LMR producer contracts.
 - (i) LM activity funding in RCPP Classic may be awarded through either producer contracts or SAs.
 - (ii) Rental activity awards are only available in RCPP Classic projects through producer contracts.

Note: LMR contracting authority is project specific. NRCS only allows new contract obligations during the term of the PPA for which the RCPP funds are budgeted. Producer contracts must be consistent with the terms of the PPA for which the state received RCPP funding.

Note: Refer to 440 CPM Part 531, National Instruction Title 440 Part 315, “Guidance for Regional Conservation Partnership Program (RCPP) Negotiated Supplemental Agreements (SA),” National Instruction Title 440 Part 316, “Guidance for Regional Conservation Partnership Program (RCPP) Programmatic Partnership Agreements,” National Instruction Title 440 Part 310, “NRCS Program Ranking through Conservation Assessment Ranking Tool (CART)” (440 NI 310), and the RCPP coordinator SharePoint for more guidance and policy related to 2018 Farm Bill RCPP PPAs, SAs, and ranking.

- (5) In RCPP, the term “activity” is used in two different ways:
 - (i) Conservation activity addressing a resource concern, and
 - (ii) RCPP FA activity types. Refer to 440 CPM Part 531, Subpart C, for activity types offered in RCPP.

- (6) If conflicts between this subpart and other subparts of this manual exist, the policy in this subpart will prevail. If policy in this subpart conflicts with other RCPP policy, this subpart prevails with respect to LMR contracting. Additional LMR contract-related program requirements are included in exhibit 530.520C, “RCPP Regulation – 7 CFR Part 1464,” of this subpart. If guidance in this subpart or other RCPP policy conflicts with the regulation, the regulation prevails.

Note: State LMR signup announcements and related documentation for each project are published and maintained in each state.

Note: Refer to 440 CPM Part 531 for guidance related to notices of funding opportunity (NFO) and PPAs.

B. Authority

- (1) This subpart contains NRCS policy, guidance, and operating procedures for RCPP LMR producer contracts executed under authority of Subtitle I of the Food Security Act of 1985, as amended, and the RCPP regulation at 7 CFR Part 1464. Refer to exhibit 530.520C, and subpart O, exhibit 530.143I, “Food Security Act of 1985 as Amended,” of this manual.
- (2) This subpart is effective for LMR producer contracts executed during fiscal year 2022 and thereafter, until superseded. Additionally, policy in this subpart should be used for administration of all contracts executed in fiscal year 2021, unless inconsistent with specific terms of those contracts.

C. Applicability.—RCPP assistance is made available based on selected RCPP proposals and active PPAs. As such, LMR producer contracts or other specific RCPP assistance may not always be available in all states, projects, or areas within a project.

D. Administration.—NRCS manages RCPP LMR producer contracts consistent with approved PPAs and similarly to Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), and Agricultural Management Assistance contracts. The PPA may include negotiated provisions that differ from general contracting policy in this manual.

530.501 RCPP Funds Management

- A. NRCS makes RCPP allocations based on negotiated project budgets.
- B. LMR activity funds must be managed according to approved PPA deliverables and exhibits, including but not limited to project, state, and contract type. Refer to 440 CPM Part 531, subpart I, “Allocating and Managing Funds.”
- C. States must monitor fund balances to ensure program funding allocated for a project is not exceeded and is managed within PPA activity-type budget parameters.
- D. For multistate projects, the lead state is responsible for managing the PPA with the lead partner and coordinating with partner states involved in the project to ensure program funding is managed within project parameters, including but not limited to deliverable budgets and exhibit expectations.

E. Refer to the applicable business tool guidance and 440 NI 310 for information on creating ranking pools to manage LMR funding.

530.502 RCPP Eligibility

A. General Eligibility.—Refer to subpart C, “Application for Assistance,” and subpart O, exhibit 530.143C, “Program Eligibility Matrices for Individuals, Entities, and Joint Operations,” for general eligibility requirements. For RCPP LMR producer contracts, the following eligibility requirements must be met.

- (1) Producer eligibility.
- (2) Land eligibility.
- (3) Project and activity eligibility.

Note: Other program requirements, including those for EQIP and CSP, do not apply to LMR producer contracts unless otherwise specified in this subpart, identified in the applicable PPA, or as approved by national headquarters on a case-by-case basis.

Note: States must not adjust applicant, land, or activity eligibility requirements based on RCPP project considerations.

B. Producer Eligibility.—To be eligible for an RCPP LMR producer contract, each contract participant must meet the mandatory basic eligibility requirements in subpart C, which include compliance with the following.

- (1) Highly erodible land and wetland conservation provisions.
- (2) Adjusted gross income (AGI) payment limitations, unless an AGI waiver is approved by the Financial Assistance Programs Division (FAPD) division director before contract obligation.
- (3) Effective control of the land.

Note: Water management entities defined in subpart C, section 530.20C(5), are not eligible applicants for LMR producer contracts. However, an entity that meets eligibility requirements and qualifies as an eligible business type may be eligible for an LMR producer contract as a producer or eligible landowner.

Note: Group applications must be handled according to policy in subpart R, section 530.402B(2)(iii).

Note: RCPP has authority to grant AGI applicability waivers in certain situations, including in cases of environmental land of special significance. Refer to subpart A, section 530.7, “Policy Waivers,” for policy waiver guidance and National Instruction Title 440 Part 314, “Adjusted Gross Income (AGI) Waiver Process,” for guidance on AGI waivers and the submittal process.

C. Land Eligibility.—Land may be eligible for enrollment in RCPP LMR producer contracts if NRCS determines that the land is controlled by an eligible applicant and is either:

- (1) Private or tribal agricultural land, nonindustrial private forest land, or associated land on which an eligible conservation activity would help achieve the conservation benefits defined for an approved project; or

- (2) Publicly owned agricultural land or associated land, and the enrollment of such land is:
 - (i) Consistent with the eligibility requirements outlined in the appropriate NFO;
 - (ii) Appropriate for the type of eligible activity; and
 - (iii) Necessary for achieving conservation benefits consistent with an approved PPA.

D. Project and Activity Eligibility

- (1) RCPP has five FA activity types with eligible activities. This subpart only addresses LMR activity types.
- (2) LM producer contracts may include NRCS-approved conservation practices and enhancements. Refer to section 530.505C(1) for activities not offered in LMR producer contracts.
- (3) Rental contracts must comply with the project-specific rental activity requirements approved by NRCS and developed in collaboration with the RCPP project lead partner. Refer to section 530.507, “Rental Activity Payments,” and exhibit 530.520A, “Rental Activity Worksheet.”
- (4) Each RCPP producer contract must address at least one natural resource concern identified in the executed PPA and be consistent with project-specific activity requirements in the applicable PPA exhibits. For critical conservation area (CCA) projects, each producer contract must not only address a PPA resource concern but also a CCA priority resource concern (if the project includes both CCA priority resource concerns and non-CCA project resource concerns). Refer to section 530.504E, “Applications in CCAs,” for more guidance related to CCAs.

530.503 RCPP Planning

- A. Refer to subpart D, “Application Processing,” and LMR exhibits of applicable PPA for general and project-specific planning guidance, respectively.
- B. States must use Conservation Desktop to identify planning units, create practice schedules, and develop conservation plans and maps to support contract obligation.
- C. NRCS must evaluate the application based on the resource concerns present at the time of application. This evaluation may include existing conservation practices and new conservation practices or activities that the participant will implement to address the resource concerns identified onsite, including project or CCA resource concerns as indicated in section 530.502.
- D. Technical service provider.—When consistent with an approved PPA, a qualified technical service provider may provide TA to producers with LMR contracts. Refer to subparts D and E of this manual and 440 CPM Part 531, Subpart F, for more guidance.

530.504 RCPP Application Processing

- A. This section provides RCPP-specific guidance regarding application processing and ranking. Refer to subparts A, “General Information,” and D, “Application Processing,” for processing applications, and Title 440 Conservation Programs Manual, Part 502 “Terms and Abbreviations Common to All Programs,” for more information and criteria.

B. Accepting Applications

NRCS must—

- (i) Accept applications from any producer who has land included within a project area under a PPA.

In addition to guidance in subpart C, partners may submit to NRCS a bundle of applications as documented in the applicable PPA. Refer to section 530.504B(iv) for more guidance.

- (ii) Group applications for each project into appropriate ranking categories (within the same project-specific LMR ranking pool) based on application or applicant similarities.

Example: Provide a category for historically underserved (HU) LMR applications and a second category for general LMR applications. Provide three separate categories for LM, rental, and LMR.

- (iii) After execution of a PPA, accept producer applications on a project-specific basis.
- (iv) Prioritize applications that are submitted as part of a bundle by a lead partner, as defined in the “Land Management” or “Land Rental” exhibit of the PPA, subject to limits in 440 NI 310.
 - The process for submitting bundled applications and points awarded are negotiated on a project-by-project and activity-by-activity basis and documented as applicable in the PPA.
 - These applications must be identified and processed following the guidance in this subpart and 440 NI 310.

Note: Basis for partner-bundled applications must be consistent with federal civil rights protections (e.g., the resource concerns being addressed or the location of the land are defensible partner-bundling criteria). Bundling of applications based on need for an AGI waiver would not be valid, or at a minimum would require substantial analysis (on part of the partner) to document nondiscriminatory effect within a specific project.

- (v) Develop an evaluation and ranking process to prioritize eligible applications that address the purposes of the project, including treating the identified project or priority resource concerns, as applicable.
- (vi) Establish signup deadlines for each project based on the PPA and in coordination with the lead partner. Signups can start as soon as they are announced on the state’s website and must run for at least 30 days. Refer to subpart B, section 530.12B, for more guidance. In addition, the following applies.
 - State conservationist must establish application cutoff dates to manage workloads and ensure national deadlines are met.
 - Where PPA deliverables include LMR conservation activities in the same state and in the same year, these two activities are to be offered in a single signup and ranking pool.

C. Screening

States may use screening tools following policy in subpart D, section 530.32, “Screening,” to support RCPP signups. In addition to the policy in subpart D, section 530.32A(3), if a state uses a screening tool to facilitate RCPP project ranking, the tool must also be consistent with the project-specific PPA. PPA-related considerations with potential to affect the use of screening tools include:

- (i) RCPP screening tools should support (or not prevent) prioritization of any specific applications identified as exempt from ranking in an executed PPA’s exhibits (PPA exhibit 1, “Land Management Activity Expectations,” and exhibit 2, “Rental Activity Expectations”).
- (ii) RCPP screening tools may not be used to amplify or circumvent the importance of partner bundling or other ranking policies as described in 440 NI 310.
- (iii) Screening tools must not be used to add eligibility requirements beyond those in the program authorities.

D. Application Ranking

- (1) Refer to subpart D for more guidance on assessment and ranking.
- (2) States must use the guidance in 440 NI 310 and applicable RCPP exhibits to establish their Conservation Assessment Ranking Tool (CART) ranking pools, as well as the following guidance.
 - (i) Applications may not receive more than 25 percent of CART program points for being partner bundled.
 - (ii) States must use the ranking pool naming convention in 440 NI 310. LMR ranking pools must be named according to the following convention.
(4-digit RCPP ID) (Activity Type: LMR) (Award Type: Producer or Supplemental) (Optional: Fiscal Year) (e.g., “1234 LMR Producer,” where the 4-digit RCPP project ID is “1234”)
 - (iii) For multistate PPAs, the lead state is responsible for coordinating with the partner states involved in the project area to ensure consistency with an approved PPA and to maintain similarity of ranking criteria, evaluation, and implementation processes.
- (3) NRCS may give HU-specific ranking consideration to applications from HU participants according to subpart C, section 530.21, “Producer Types with Additional Considerations,” of this manual and 440 NI 310, and consistent with the PPA, as applicable. Additionally, if consistent with the PPA, HU-specific ranking categories may be used.
- (4) States may create one or more ranking categories within each project-specific LMR ranking pool to manage project-specific ranking priorities, such as HU producers or preselected purposes identified in a PPA.
- (5) RCPP coordinator or designee must select eligible applications for funding in order of ranking priority, taking into account identified evaluation criteria, evaluation periods, and ranking pools.
- (6) NRCS may decline to select an eligible application if it cannot be funded with the available funding and proceed to the next application in ranked order that can be funded with available funding. The state conservationist or designee must conduct

quality assurance to ensure this flexibility is limited and used judiciously. When this occurs, maintain documentation to address potential appeals or audit concerns.

E. Applications in CCAs

- (1) The PPA identifies CCAs and associated priority resource concerns. Refer to the applicable NFO, 440 CPM Part 531, Subpart C, and other guidance issued by national headquarters for details on CCAs and their associated resource concerns.
- (2) NRCS must select eligible applications for producer contracts within CCAs that address one or more priority resource concerns for which the CCA is designated.

530.505 RCPP Contracting and Contract Management

A. Requirements of a Program Contract.—To receive payments, a producer must enter into a producer contract and agree to the terms and conditions associated with the type of eligible activity to be implemented. Refer to subpart E, “Contract Development and Requirements,” for general contract requirements.

B. A program contract must do the following.

- (1) Identify the requirements for participation under RCPP, including the following.
 - (i) Contract duration.—The maximum allowable contract length for RCPP LMR contracts is 10 years. However, LMR contracts should typically be shorter to support shared NRCS and partner responsibility to ensure that each PPA delivers expected project outcomes by the end of its term.
 - (ii) Maximum federal payment amounts or rates.
 - (iii) The eligible activities that the producer agrees to implement.
 - (iv) The requirements for demonstrating successful implementation of those eligible activities.
- (2) Incorporate the RCPP schedule of operations, which includes a timeline for implementing selected eligible activities.
- (3) Incorporate provisions to further the purposes of the PPA.
- (4) Incorporate all provisions as required by statute or regulation, including requirements that the participant will:
 - (i) Not conduct any action that would defeat the purpose of the program.
 - (ii) Refund any program payments received with interest and forfeit any future payments under the program upon the violation of a term or condition of the program contract consistent with policy in this manual and 7 CFR § 1464.33(C).
 - (iii) Supply information if required by NRCS to determine compliance with program requirements.
- (5) Specify any other provision determined necessary by NRCS to ensure the program purpose is met.

C. Schedule of Operations

- (1) The schedule of operations for LM producer contracts may include conservation practices and enhancements offered under EQIP and CSP. The following conservation activities are not offered in RCPP LMR producer contracts.
 - (i) Enhancement bundles.
 - (ii) Stewardship payments (existing activity payments).

Note: RCPP producer payments are limited to 100 percent of typical scenario cost. Accordingly, payments available in RCPP for some enhancements may be capped at a lower amount than they would be in CSP.

- (2) The schedule of operations of an LM contract may include rental activities. In such situations, the following requirements apply.
 - (i) Rental activities are allowed on public lands only if the lands are controlled by an eligible producer, comply with section 530.502C(2) above, are included in the producer contract, and are consistent with the NFO limitations on public lands contracting,
 - (ii) NRCS must use the rental activity codes in section 530.507A(1) to develop the schedule of operations.
 - (iii) Contract must follow project-specific rental activity and program requirements in section 530.507.
- (3) The schedule of operations must include practices or activities that address the resource concerns identified in the PPA.
- (4) RCPP allows a practice, enhancement, or rental activity to be scheduled on the same land multiple times as long as each instance addresses a resource concern. Participants can earn payment multiple times provided that the schedule of operations and contracted items meet the following criteria.
 - (i) Supports the PPA objectives.
 - (ii) Demonstrates measurable outcomes.
 - (iii) Meets applicable activity requirements.

Note: Refer to section 530.506F, “Duplication of Payment,” and subpart F, section 530.51C(1) for duplication of payments policy.

- (5) The state conservationist may develop additional requirements for the schedule of operations by publishing a state supplement to the manual. Refer to subpart A, “General Information,” for more guidance related to supplements to the manual.

D. Review and Quality Assurance

- (1) Field offices must complete the RCPP LM and Rental Producer Contract Preobligation Checklist in exhibit 530.520D before contract obligation. The state or area office must conduct preobligation quality assurance reviews for each funding period by reviewing all approved applications and documenting the results in the RCPP LM and Rental Producer Contract Preobligation Checklist. Guidance in subpart H, section 530.71A(3), does not apply to LMR.
- (2) Reviews must ensure contracts are valid and consistent with the terms of the RCPP PPA (including LM and rental exhibit expectations and deliverable-based budget) and the RCPP authorities.
- (3) States must conduct second level obligation reviews consistent with policy in subpart E, section 530.41E.

530.506 RCPP Contract Payment and Contract Limitations

A. This section provides specific guidance for LMR producer contracts. Refer to subpart F, “Payments,” of this manual, and Title 300 Land Treatment Programs Handbook, Part 600 “Payment Schedules,” for general guidance regarding payments.

B. Upon practice completion and certification that the conservation practices or activities meet applicable NRCS standards and requirements, NRCS will make RCPP FA payments to participants based on written participant requests on Form NRCS-CPA-1245, “Practice Approval and Payment Application.”

C. LMR producer contracts may contain two types of RCPP FA activities eligible for payments:

- (1) LM activity type.
- (2) Rental activity.

Note: Refer to section 530.507 below for rental activity guidance.

D. Payment Eligibility.— Participants must be eligible for payments according to section 530.502 to receive payments.

Note: RCPP does not have authority to offer advance payments for LMR producer contracts.

E. Contract Limit

- (1) Each LMR contract with a person or legal entity is limited to \$450,000 over the term of the contract.
- (2) Each LMR contract with a joint operation (Farm Service Agency business type 2 or 3) and each group project may have a contract limit of up to \$900,000. States do not need to request a contract limit waiver from the FAPD division director for joint operations to receive the higher contract limit.
- (3) For contract transfers from a person or legal entity to a joint operation, the contract limitation does not increase due to the change in business type.
- (4) States must conduct quality assurance to ensure the contract limit is not exceeded. Planners must place a cost cap, if necessary, to ensure the contract limit is not exceeded, including when LMR producer contracts are transferred from a person or legal entity to a joint operation.

Note: Indian tribes or Alaska Native Corporations are not subject to contract limits.

Note: RCPP does not have payment limitations like EQIP and CSP.

F. Duplication of Payment

- (1) NRCS may not issue FA to a participant through a producer contract for eligible activities if the participant receives payments or other benefits for the same or similar eligible activities on the same land under any other conservation program administered by USDA.
- (2) LMR producer contracts with a rental activity planned cannot include other conservation practices or activities on the same land at the same time where the selected payment scenario includes foregone income.
- (3) Refer to section 530.507A(6) for rental payment scenario development and rental activity contracting policy on preventing duplicative payments.

G. In addition to the policy found in subpart F, section 530.50G, “Payment Caps,” states may judiciously use payment caps to manage limited funding to control costs of expensive practices like anaerobic digesters. When setting payment caps, states must:

- (1) Ensure cap is consistent with PPA; and
- (2) Identify the payment cap for specific conservation practices and publicize this information no later than the signup announcement.

530.507 RCPP Rental Activity Payments

A. Rental Activity Payments

- (1) The following rental activity types are used to make payments for RCPP projects involving rental activities.
 - (i) RFRN.—FA rental payment based on NRCS-defined model.
 - (ii) RFRP.—FA rental payment based on negotiated project-specific model.
- (2) RCPP producer contracts may include rental activity payments only if they are included in the approved PPA.
- (3) Rental activities may be included in a producer contract only if such activities would address project resource concerns. In addition, the participant must agree to implement project-specific rental activity requirements as outlined in exhibit 530.520A, “Rental Activity Worksheet.”
- (4) Participants will earn rental payments for completing RFRN or RFRP practices per contract terms in the schedule of operations and associated implementation requirements. States must use RCPP rental activity codes available in the Conservation Practice Data Entry System and further described in exhibit 530.520A to develop the schedule of operations.

Example: When a PPA establishes a rental activity budget for a project and exhibit 530.520A documents project-specific requirements, NRCS must include rental activities in project ranking pools and the participants can potentially earn project-specific rental payments for adopted RFRN or RFRP practices.

Note: If RFRN and RFRP activity codes do not appear in a state’s practice list, the state should verify that the codes have been turned on in Conservation Desktop user preferences.

- (5) States must use exhibit 530.520A, “Rental Activity Worksheet,” and exhibit 530.520B, “RFRP Payment Scenario Justification Worksheet.”
 - (i) Exhibit 530.520A.—Documents both project- and participant-level implementation requirements and certifies that the requirements are met before approving payment. State conservationists must ensure that when rental activities are part of an RCPP project, exhibit 530.520A is developed to provide guidance for use of RFRN or RFRP activities in producer contracts. States must also ensure that field staff managing applications and producer contracts involving rental activities are aware of the project-level rental activity requirements for each project and that they provide those requirements to applicants and participants.
 - (ii) Exhibit 530.520B.—Use this worksheet to document justification for RFRP payment scenarios. The lead state conservationist must ensure exhibit 530.520B is developed when RFRP rates are used to support rental activities. The worksheet must document RFRP scenario costs, payment percentage, and per-unit payment amounts.
- (6) Required approvals:

- (i) State conservationists must approve exhibit 530.520A in all cases.
- (ii) States must also prepare exhibit 530.520B for all RFRP rental payments. To facilitate RFRP rate processing, states must ensure that if RFRP rates do not use acres as the contracting unit, exhibit 530.520B includes estimates of RFRP payments on a per-acre basis.
- (iii) If all RFRP rates are less than or equal to the lowest RFRN irrigated cropland scenario payment rate, state conservationists may also approve exhibit 530.520B below upon completion of state analysis.
- (iv) National headquarters approval is required when any RFRP payment rate will exceed the lowest RFRN irrigated cropland rate. States must submit their requests using exhibit 530.520B and submit all supporting documentation through the [FAPD SharePoint](#) - Program Questions.

Note: States must actively manage rental payment scenario development and rental activity contracting to prevent duplicative payments. Potential indicators of duplicative payments that relate to rental activities include:

- Rental payments to a participant after easement closing if the rental payment and easement purposes are similar.
- Rental payments for land enrolled in the Conservation Reserve Program.
- Rental payments for land earning a CSP payment for rental activity-related activities, including any related existing activity payment.
- Rental payments associated with conservation practices or activities that include a forgone income component related to rental payment activity implementation requirements.

530.520 Exhibits

- A. Rental Activity Worksheet
- B. RFRP Payment Scenario Justification Worksheet
- C. RCPP Regulation – 7 CFR Part 1464
- D. RCPP Land Management and Rental Producer Contract Preobligation Checklist