United States Department of Agriculture

NRCS

Natural Resources Conservation Service
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February 6, 2007

PENNSYLVANIA BULLETIN NO. PA300-7-2

SUBJECT: LTP – AMA, EQIP, WHIP Obligation Clean-up and Contract Review

Purpose: Transmit procedures to implement or cancel AMA, EQIP, WHIP Conservation Program Contracts.

Expiration Date: September 30, 2007

Background: A national Obligation Clean-up is under way to review all contract obligations in all programs, to insure they are valid and to de-obligate funds not needed to accomplish their intended purpose. Agricultural Management Assistance Program (AMA), Environmental Quality Incentives Program (EQIP), and Wildlife Habitat Incentive Program (WHIP) contracts in Pennsylvania currently have a high late rate percentage of conservation practices not completed by the planned year. Also, states will no longer receive a Technical Assistance fund allocation to service contracts that are more than five years old, further reinforcing the need to work with participants to implement contract items according to schedule or to cancel inactive contracts.

This Bulletin provides instructions for review of contracts, and options that can be offered to AMA, EQIP and WHIP participants if contracts are out of schedule. A contract review is required if the Schedule of Operations is not being followed or contract provisions are not being met. As a reminder, contract participants who are out of schedule with an existing contract should be assigned a low priority and not ranked, for any applications they have on file for a FY2007 contract (See Pennsylvania 2007 EQIP Manual, High Priority Ranking Criteria) .

Contract provisions allows the Participant to be assessed a cost recovery assessment to offset administrative costs in an amount equal to 20% of the total financial and technical assistance obligated if the contract is cancelled or terminated (440-GM Part 512.58; also see Pa EQIP Manual). Since these provisions are stipulated in the contract appendix, participants should be fully aware of them. The State Conservationist has the authority to modify these requirements.

Directions: For all contracts not currently on schedule, the District Conservationist or representative will work with the participant(s) to resolve all issues and document actions to be taken to complete the contract, including timeframes to comply. NRCS-CPA-153 form should be used to document this process and should be signed by the DC and the participant. TSP 900 code TA assistance funds that have been obligated to EQIP contracts also need to be reviewed as part of this process. All agreed to items must be entered into ProTracts updating the contract with a modification by March 30, 2007.

NRCS will offer participants an opportunity to cancel FY-2002, 2003, and 2004 contracts with consideration of waiver of recovery costs if practices have not been implemented or if implemented practices are functioning independently and are being properly maintained. Contracts with practices that will not stand alone must be completed according to standards and specifications before being eligible for the waiver; otherwise cost recovery provisions will apply. The waiver for cost recovery on FY-2002, 2003, and 2004 contracts will expire June 30, 2007.

If the participant wants to cancel the contract, obtain a written request from the participant, along with reasons for the cancellation. All requests must contain the contract number with appropriate signature and date. The Supervisory District Conservationist will immediately forward the original cancellation request to the State Program Manager along with a synopsis of the contract. The State Office will inform the participant of the approval of the cancellation request in writing within 30 days, to include the forfeiture of all payments under the contract, and update the contract status to cancel in ProTracts.

If the participant is not in compliance with the contract and is not willing to complete work or request a cancellation, initiate termination process in consultation with State Program Manager or ASTC-Programs.

Use the following schedule to prioritize completion of these contract reviews. By the listed dates, Supervisory DC's should provide a progress report to their Assistant State Conservationist for Field Operations (ASTC-FO) describing status of all contracts to be reviewed for that time period. Where field work is anticipated to interfere with contract reviews, make sure reviews are completed ahead of time.

FY 2002 Contracts: February 22, 2007
FY 2003 Contracts: March 21, 2007
FY 2004 Contracts: April 25, 2007
FY 2005 Contracts: May 23, 2007
FY 2006 Contracts: June 27, 2007

If you have any questions, contact Ed Sanders, State Program Manager at 717-237-2201 or by E-mail: edward.sanders@pa.usda.gov , Barry Frantz, Assistant State Conservationist for Programs at 717-237-2216 or E-mail: barry.frantz@pa.usda.gov, or Noel Soto for TSP obligations at 717-237-2173 or e-mail noel.soto@pa.usda.gov.

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