General Contract Provisions

1. DEFINITIONS

A. The following definitions are applicable to the Conservation Program Contract (CPC) entered into under the program identified in the program-specific section of this appendix. All other words and phrases, unless the context of subject matter otherwise requires, shall have the meanings assigned to them in the regulations governing the applicable program.

i. Contract or CPC.—The program documents, including Form NRCS-CPA-1202, "Conservation Program Contract"; the Appendix to Form NRCS-CPA-1202; Form NRCS-CPA-1155, "Conservation Plan or Schedule of Operations"; Form NRCS-CPA-1156, "Revision of Plan/Schedule of Operations or Modification of a Contract"; and Form NRCS-CPA-152, "CPC Transfer Agreement." The contract sets forth the terms and conditions for program participation for the program identified in this Appendix.

ii. The Natural Resources Conservation Service or NRCS.—An agency of the United States Department of Agriculture (USDA). NRCS is administering this contract on behalf of the Commodity Credit Corporation (CCC). Therefore, where this contract refers to "CCC", NRCS may act on its behalf for the purposes of administering this contract.

iii. Participant.—A person, legal entity, joint operation, Indian tribe that is a producer, or other eligible party who has applied for participation in the program, has been selected as eligible for participation, and who has entered into this contract as responsible for implementing its terms and conditions. Any participant that will receive any share of a payment made for the implementation of this contract must be a signatory on the contract and eligible for such payment. Any participant on the contract may approve payment applications for the contract unless signatory is specifically not granted or assigned on the Contract Forms NRCS-CPA-1202 or NRCS-CPA-152.

2. ELIGIBILITY REQUIREMENTS

A. The participant must, upon request, provide evidence to NRCS demonstrating that such participant controls the land during the contract period. By signing this contract, the participant certifies that such participant will control the land subject to the contract for the contract period.

B. Land otherwise eligible for the applicable program shall not be eligible, except as agreed otherwise, in writing, by NRCS, if the land is subject to a deed or other restriction prohibiting the production of agricultural commodities or where a benefit has or will be obtained from a Federal agency in return for the participant's agreement not to produce such commodities on the land during the same time as the land would be enrolled in the program. By offering land for enrollment, the participant certifies as a condition for payment that no such restrictions apply to the subject land.

C. The participant shall not be eligible for payments for implementation of conservation practices or activities that the participant is required to implement to address non-compliance with 7 CFR Part 12, "Highly Erodible Land and Wetland Conservation." Contract payment will not be delayed for conservation practices or activities completed while in noncompliance with 7 CFR Part 12 or for the purpose of circumventing the payment eligibility requirements set forth in 7 CFR Part 12.

3. AGREEMENT

A. The participant agrees to—

i. Enroll eligible land into the program for the period of time as specified on Form NRCS-CPA-1202 beginning on the date this contract is executed by NRCS;

ii. Comply with the terms and conditions of this contract;

iii. Establish, maintain, and replace, as specified in this contract, the conservation practices or activities agreed to in Form NRCS-CPA-1155 and, if applicable, Form NRCS-CPA-1156;

iv. Complete a conservation practice or activity within the first 12 months of the contract. NRCS may extend the timeframe for completion if NRCS determines that the participant is unable to complete the conservation practice or activity for reasons beyond their control.

v. Install conservation practices and activities according to the implementation requirements, designs, constructions plans, or other documents in order to meet the applicable NRCS technical criteria, and if not in possession of such information, contact your local office before installing your conservation practices and activities

vi. Obtain the authorities, permits, easements, or other approvals necessary for the implementation, operation, and maintenance of the conservation practices or activities in accordance with applicable laws and regulations;

vii. Discontinue implementation and notify NRCS immediately if during the construction of any conservation practice or activity a previously unknown, unexpected, or unidentified endangered species, archeological, cultural, or historical site is encountered or the prescribed conditions for mitigation purposes have changed;

viii. Not undertake any action on land under the participant's control which tends to defeat the purposes of this contract, as determined by NRCS;

ix. Not start any financially-assisted conservation practice or activity before this contract is executed by NRCS, unless NRCS approves a waiver;

x. Complete and file Form CCC-902, "Farm Operating Plan," and as needed Form CCC-901, "Member's Information," as required by USDA under 7 CFR Part 1400, "Payment Limitation and Payment Eligibility." Participants also agree to maintain updated information with the Farm Service Agency as provided in 7 CFR Part 1400.

xi. File forms required by NRCS for applicable payment limitation determinations.

xii. File Form CCC-941, "Average AGI Certification and Consent to Disclosure of Tax Information," required by USDA for Adjusted Gross Income (AGI) determinations.

xiii. Provide to NRCS, upon request, completed Form NRCS-CPA-1257 "Landowner Concurrence for Structural or Vegetative Activities," or other written concurrence from

the landowner that identifies the participant has authority to install structural or vegetative conservation practices or activities.

xiv. File Form NRCS-CPA-1245, "Practice Approval and Payment Application," upon completion of a contracted conservation practice or activity, in order to receive payment.

xv. Retain all records, including receipts, as proof of completion and payments, and other documents related to this contract for a period of three (3) full years after completion of the terms of this contract, and give to the NRCS, the Office of the Inspector General or the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to this contract; and

xvi. Allow access to the land under contract to the NRCS representative, or its representative, for monitoring progress on this contract. NRCS shall provide reasonable notification to the participant prior to entering the land under contract.

xvii. Not engage the services of a certified technical service provider (TSP) before this contract is executed by NRCS. If interested in obtaining funds for TSP services, the participant must make a request to NRCS. NRCS will determine if funds are available for TSP services and will work with the participant to modify the contract accordingly. Under no circumstances will NRCS reimburse participants for TSP services obtained prior to approval of such reimbursement under the contract. The participant must submit invoices from the certified TSP for the work performed and any other documentation needed for NRCS to determine the technical services were completed in accordance with NRCS requirements. The participant is responsible for ensuring that the TSP services meet program requirements. NRCS may seek repayment of any TSP payments made to the participant if NRCS terminates this contract, as provided under paragraphs 6 and 7 of this Appendix.

xviii. Conduct business with NRCS employees and representatives in a respectful manner and ensure safety of NRCS employees and representatives while on site.

B. NRCS agrees, subject to the availability of funds, to:

i. Approve payment to the participant for completing an eligible conservation practice or activity as scheduled in Forms NRCS-CPA-1155 or NRCS-CPA-1156, if applicable, as described herein. This contract is a financial assistance agreement, not a procurement contract. As such, it is not subject to 5 CFR Part 1315, "Prompt Payment," and is governed by the terms set forth herein.

ii. Approve payments based on the actual extent of the conservation practice or activity implemented. NRCS will approve payments based on the payment rate and extent agreed to in Forms NRCS-CPA-1155 or NRCS-CPA-1156. NRCS will only approve payments for conservation practices or activities the participant completes within the contract period of performance and that meet or exceed the requirements described in the NRCS standards and specifications, designs, job sheets or guide sheets;

iii. Approve payments submitted on Form NRCS-CPA-1245 based upon the shares to which the parties have agreed as set forth on Form NRCS-CPA-1202.

4. PERIOD OF PERFORMANCE

This contract is effective when signed by the participant and executed by an authorized representative of NRCS. The contract term begins on the date NRCS executes the contract as indicated on the Forms NRCS-CPA-1202 or NRCS-CPA-152 and shall not exceed the maximum length authorized for the program. All required participants must sign this contract within the timeframe established by NRCS. In the event that a statute is enacted during the period of this contract which would materially change the terms and conditions of this contract, the NRCS may require the participant to either modify this contract consistent with the provisions of such statute or agree to contract termination.

5. CONTRACT CORRECTION, MODIFICATION, AND TRANSFER

A. Contract Correction.—NRCS reserves the right to correct all errors in entering data or the results of computations in this contract. If the participant does not agree to such corrections, NRCS shall terminate the contract.

B. Contract Modification.—NRCS and the participant may agree to modify this contract upon determination and approval of NRCS that the modification is consistent with the purposes of the program and is in the public interest. Any participant on the contract may approve modifications for the contract on behalf of all participants unless such signature authority is specifically denied on Form NRCS-CPA-1202.

C. Contract Transfer.

i. The participant must provide written notice to NRCS within 60 days of any voluntary or involuntary loss of control of any acreage under the contract, including changes in a participant's ownership structure or corporate form. NRCS will terminate the contract, if timely notice is not provided, if an eligible producer is not identified in the notice, or if the new producer is not approved by NRCS to accept the terms and conditions of the contract.

ii. NRCS may approve a transfer of the contract if the new producer meets the program eligibility requirements within a reasonable time frame as determined by NRCS, the new producer agrees to assume the rights and responsibilities for the acreage under the contract, and NRCS determines that the purposes of the program will continue to be met.

iii. Until NRCS approves the transfer of contract rights, a new producer is not a participant and may not receive payment for conservation practices or activities commenced prior to approval of the contract transfer. When NRCS approves a contract transfer, the transferee accepts all rights and responsibilities, including the right to payment for activities and practices implemented on the transferred land.

6. CONTRACT VIOLATION AND TERMINATION

A. If a participant fails to carry out the terms and conditions of this contract NRCS may terminate this contract. NRCS may require the participant to refund payments received under this contract, or if not terminated, require the participant to accept such adjustments in subsequent payments as are determined to be appropriate by NRCS.

B. NRCS may terminate this contract, in whole or in part, without liability, if NRCS determines that continued operation of this contract will result in the violation of a statute or regulation.

C. NRCS and the participant may agree to terminate this contract if NRCS determines that the termination is in the public interest.

D. NRCS may determine that a participant is not in violation of the contract for failure to comply with the contract if the circumstances for failing to comply were beyond the control of the participant, including a disaster or related condition, as determined by the NRCS.

E. The contract terminates upon death of the participant unless the estate or other successor of the deceased participant, as determined by NRCS, assumes responsibility for the contract and meets applicable eligibility requirements in accordance with paragraph 5 above. NRCS may transfer the contract to the estate or deceased participant successor by completing Form NRCS-CPA-152 The transfer agreement is not in effect until approved by NRCS. NRCS will issue payment and approve transfers in accordance with guidance provided in applicable provisions of 7 CFR Parts 707, "Payments Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent," and 1400 as determined by NRCS. If the estate or authorized representative is identified by operation of State law, in a court-approved document, or a will, the estate or other authorized representative will be considered as appointed by the participant under the terms of the contract appendix. The term "estate representative" also refers to the heirs where the operation of law does not require the establishment of a formal estate.

7. PAYMENT COLLECTION AND RECOVERY OF COST

A. Collection of amounts due from a participant for contract violation, improper payment, or any other reason will follow procedures of 7 CFR Part 3 "Debt Management." NRCS will notify the participant and provide the reason for the collection and the amount owed. Unpaid debts accrue interest due to the NRCS beginning 30 days after the billing date at the current value of funds rate published in the Federal Register by the United States Department of Treasury.

B. In the event a participant violates the terms of this contract, the participant voluntarily terminates this contract before any contractual payments have been made, or this contract is terminated with cause by NRCS, NRCS will incur substantial costs in administering this contract which may not be possible to quantify with certainty. The participant agrees to pay, at the time of termination, liquidated damages in an amount equal to 10 percent of the total financial assistance obligated to the participant in this contract. The liquidated damage payment is for recovery of administrative costs and technical services and is not a penalty.

8. OPERATION AND MAINTENANCE OF CONSERVATION PRACTICES OR ACTIVITIES (O&M AGREEMENT)

The participant agrees to operate and maintain (O&M) all conservation practices or activities included within this contract. The participant's O&M responsibilities begin when they complete the conservation practice or activity, as determined by NRCS, and shall continue through the end of the practice or activity lifespan. Failure to carry out O&M may result in NRCS terminating this contract.

9. PROVISIONS RELATING TO TENANTS AND LANDLORDS

No payment will be approved for the current year if NRCS determines that any of the following conditions exist:

A. The landlord or operator has not given the tenants that have an interest in the agricultural operation covered by the contract, or that have a lease that runs through the contract term at the time of sign up, an opportunity to participate in the benefits of the program.

B. The landlord or operator has adopted any other scheme or device for the purpose of depriving any tenant of any benefits to which such tenant would otherwise be entitled. If any such conditions occur or are discovered after payments have been made, all or any part of the payments, as determined by NRCS, must be refunded and no further payments shall be made.

10. MISREPRESENTATION AND SCHEME OR DEVICE

A participant who is determined to have erroneously represented any fact affecting a determination with respect to this contract and the regulations applicable to this contract, adopted any scheme or device which tends to defeat the purposes of this contract, or made any fraudulent representation with respect to this contract, will not be entitled to payments or any other benefits made under this contract. The participant must refund to NRCS all payments received plus interest. In addition, NRCS may terminate the participant's interest in all conservation program contracts. The provisions of this paragraph of the Appendix shall be applicable in addition to any other criminal and civil fraud statutes.

11. RIGHTS TO APPEAL AND REQUEST EQUITABLE RELIEF

A. The participant may appeal an adverse decision under this contract in accordance with the appeal procedures set forth at 7 CFR Part 11, "National Appeals Division," Subpart A, and part 614, "NRCS Appeal Procedures." Pending the resolution of an appeal, no payments shall be made under this contract. Before a participant seeks judicial review, the participant must exhaust all appeal rights granted within these regulations.

B. The participant may also request equitable relief as provided under 7 U.S.C. 7996, "Equitable Relief from Ineligibility for Loans, Payments, or Other Benefits," and 7 CFR Part 635 "Equitable Relief from Ineligibility."

12. DRUG-FREE WORKPLACE (2 CFR Part 182 and 2 CFR Part 421)

By signing this contract, the participant certifies that the participant will comply with the requirements of 2 CFR Part 182. "Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)," and 2 CFR 421, "Requirements for Drug-Free Workplace (Financial Assistance)." If it is later determined that the participant knowingly rendered a false certification, or otherwise violated the requirements of the Drug-Free Workplace Act, NRCS, in addition to any other remedies available to NRCS under this contract or in general to the United States, may take action authorized under the Drug-Free Workplace Act.

13. CIVIL RIGHTS REQUIREMENTS

The participant agrees to follow proper rules and regulations in accordance with the requirements of Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendment, 1972; Section 504

Rehabilitation Act, 1973; Age Discrimination Act, 1975; and all other departmental rules and regulations, enforcing nondiscrimination in program delivery.

Environmental Quality Incentive Program - Conservation Incentive Contract (EQIP-CIC)

1. GENERAL TERMS

A. The regulations in 7 CFR Part 1466, "Environmental Quality Incentives Program," and any other applicable regulations are incorporated, by reference, herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail.

B. In addition to the documents identified in the general provisions, the contract also incorporates the following documents, to which the participant is bound:

i. Conservation Plan and Plan Maps

ii. Operation and Maintenance Plans, as applicable

C. Definitions.—Refer to 7 CFR Part 1466 at §1466.3 for definitions of "Indian Tribe," and, "Historically Underserved Producer" and the component definitions therein, of "Beginning Farmer or Rancher," "Socially Disadvantaged Farmer or Rancher," "Limited Resource Farmer or Rancher," and "Veteran Farmer or Rancher."

2. PROGRAM ELIGIBILITY REQUIREMENTS

A. Participants must be the operator, owner, or other tenant of an agricultural and/or nonindustrial private forestland (NIPF) operation in the Farm Service Agency (FSA) farm records management system and have effective control of the land for the Environmental Quality Incentives Program (EQIP) - Conservation Incentive Contract (CIC) period.

B. Participants must demonstrate to the satisfaction of NRCS that they are engaged in agricultural production or forestry management or have an interest in the agricultural or forestry operation associated with the land offered for EQIP-CIC.

C. Participants must be in compliance with the highly erodible land and wetland conservation provisions found in 7 CFR Part 12.

D. Participants must comply with adjusted gross income (AGI) provisions found at 7 CFR Part 1400.

E. Participants must supply information, as required by NRCS, to determine eligibility for EQIP-CIC.

F. Participants who are eligible for EQIP-CIC and self-certify as meeting the requirements of any of the historically underserved (HU) designations are eligible for an increased payment rate and advance payments for conservation practices.

i. Increased Payment Rate.—For conservation practices, HU participants must be awarded the applicable payment rate plus an additional rate that is not less than 25 percent above the applicable rate not to exceed 90 percent of the estimated incurred costs, as documented in an approved payment schedule.

ii. Advance Payments. —HU participants may elect to receive advance payments on a contract item basis for a portion of the anticipated costs associated with purchasing materials or contracting services to implement a conservation practice.

3. AGREEMENT

A. Participant accepts applicable program contract and payment limits as found in 7 CFR Part 1466 for EQIP-CIC and this Appendix.

i. A person or legal entity may not receive, directly or indirectly, payments that in the aggregate exceed $200,000 for all EQIP-CICs entered into during the period of December 20, 2018 through September 30, 2023 (i.e., the years of the 2018 Farm Bill) unless the following applies:

- Contracts with Indian Tribes or Alaska Native Corporations are not subject to payment limits.

ii. Contract limit is the maximum payment amount allowed under a single contract.

- Each EQIP-CIC with persons or legal entities will be limited to $200,000.
- EQIP-CICs with joint operations (general partnerships or joint ventures) or approved group projects may have a contract limit of up to $400,000. The contract limit is separate from any applicable payment limitation.
- The contract limitation will not increase due to the change in business type or contract transfers from a person or legal entity to a joint operation.
- Indian Tribes or Alaska Native Corporations are not subject to contracts limits.

B. If an EQIP-CIC schedule of operations includes an animal waste storage or treatment facility on an animal feeding operation (AFO), the participant agrees to develop an NRCS-approved comprehensive nutrient management plan (CNMP) prior to implementation of any waste storage or treatment facility or associated nutrient management activities. The CNMP will 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.

C. If an EQIP-CIC schedule of operations includes forest-related conservation practices or activities on forest land, the participant agrees to implement conservation practices and activities consistent with an approved forest management plan.

4. PAYMENT

A. NRCS makes EQIP-CIC practice implementation payments to producers upon completion of conservation practices and makes annual payments based on management practices completed in the prior fiscal year, as described in program contracts, and based on certification that NRCS standards and specifications have been met. In the case of conservation practices, practice implementation payment will be made as soon as practicable after certification. In the case of annual payments, payments will be made as soon as practicable after October 1 of each fiscal

year. If no management practices are completed in the prior fiscal year, no annual payment will be made.

B. HU participants may elect to receive advance payments of not less than 50 percent of the EQIP-CIC practice implementation payment amount to purchase materials or contract services associated with practice implementation.

C. If NRCS makes an advance payment to an HU participant, the participant must expend the advance payment within 90 days of receipt of the funds. If funds provided in advance are not expended during the 90-day period beginning on the date of receipt of the funds, NRCS will notify the participant with an advance payment collection letter that the participant must return the funds within 90-days of receipt of the collection letter. Failure to return the funds will result in the participant being in violation of the terms of the contract, and the contract will be terminated.

D. The conservation practices associated with advance payment must be completed as scheduled in the EQIP schedule of operations.

E. Participants may assign payments, including advance payments, directly to vendors.

5. PERIOD OF PERFORMANCE

The contract period will last, at a minimum, from the date of obligation through the fifth year. Subject to the availability of funds, NRCS reserves the right to extend contracts beyond the initial five years, not to exceed a total of ten years, if it furthers the purpose of the program as determined by NRCS.

By signing this document, you acknowledge and agree that all the information provided is true and accurate on your behalf. Any false certifications made by participants by signing this Appendix may subject the participants to criminal and civil fraud statutes. You further acknowledge that you have read and accept all terms and conditions provided in this Appendix.

_____Date_____

_____Date_____

_____Date_____

_____Date_____

_____Date_____

NOTE: This information collection is exempted from the Paperwork Reduction Act. The provisions of appropriate criminal and civil fraud, privacy and confidentiality, and other statutes may be applicable to the information provided.

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