

NEST Number: _____

Total NRCS Agreement Amount: _____

EASEMENT INTERNAL CONTROLS REVIEW CERTIFICATION CHECKLIST
Healthy Forests Reserve Program (HFRP)
FY 2019 HFRP AGREEMENT PREOBLIGATION

NEST Number:		FY:	2019	STATE:	
Decision Maker:					
Total NRCS Agreement Amount:					
Duration:	Permanent Easement 30-year Easement Maximum duration allowed by State law Contract for 30-year land use				
Group Project/Special Initiative:					
Associated with an RCPP (if RCPP, attach IC cover sheet):	Yes No	RCPP Project Number:			
RCPP Project Name:					

INSTRUCTIONS:

Use this checklist for all HFRP easement agreements or 30-year land use contracts of any amount.

1. NRCS employees must complete first- and second-level reviews for each HFRP enrollment. The same NRCS employee cannot complete both the first- and second-level review:
 - a. Document Checklist: mark each box after document review.
 - b. National Easements Staging Tool (NEST): first- and second-level reviewers enter applicable data, certify and electronically sign in NEST.
 - c. Checklist: first- and second-level reviewers certify and electronically sign Certifications page of the checklist.
2. Upload each required document on the Documents Checklist to NEST regardless of obligation amount.
3. If total obligation amount is equal to or greater than \$250,000 (or a state-specific threshold set by National Headquarters (NHQ) through a written determination) or is selected for review by the National Internal Controls (IC) Team, then a national-level review is required. Follow NI 300-300, as amended for instructions on how to submit package for national level review. Submit NEST Maintenance Request (MR) to initiate request for National IC review.
4. After national-level review approval, if applicable, and prior to executing the obligating document, the State Conservationist (STC) must certify by electronically signing the Certifications page of this checklist. A NRCS employee cannot sign as the STC if they've also signed as first- or second-level reviewer.
5. Once all steps are complete, state must submit the obligation package to the appropriate FPAC Business Center Group.
6. The final checklist and post-obligation documents (Step 8) must be uploaded to NEST and all applicable data elements must be completed.

STATE/ESS FIRST AND SECOND LEVEL REVIEWERS (must be NRCS employees)			
STEP 1	1 st LEVEL REVIEWER	2 nd LEVEL REVIEWER	Complete and/or confirm completion of all items below and check the corresponding box prior to signing the checklist
	<input type="checkbox"/>	<input type="checkbox"/>	All items on the <u>Documents Checklist</u> are in the official file and are complete, accurate and signed as necessary.
	<input type="checkbox"/>	<input type="checkbox"/>	All data in NEST matches the data/information shown on the documents listed on the <u>Documents Checklist</u>
	<input type="checkbox"/>	<input type="checkbox"/>	Upload all documents on <u>Documents Checklist</u> to NEST and check the corresponding box on the <u>Documents Checklist</u> . Load documents separately as indicated by drop-down option in the “Documents” section of NEST using the correct Document Type from the drop-down list and using a naming convention that makes it obvious what the document is and with what Application the document is associated. NOTE: Including the number of the document (as shown on the Documents Checklist) in the comment box on the Documents section of NEST is highly recommended. This will increase national review efficiency and reduce unnecessary follow up.
	<input type="checkbox"/>	<input type="checkbox"/>	Land Ownership: Verify all landowners listed on preliminary title search (e.g., Schedule A of commitment or binder) or proof of ownership documents are accurate in NEST and draft obligating document (AD-1157 “Option Agreement to Purchase” or AECLU).
	<input type="checkbox"/>	<input type="checkbox"/>	Landowner Eligibility – All landowners are in compliance with landowner eligibility criteria established in CPM Title 440, Part 511, 511.23. For RCPP-HFRP, all landowners must also be in an AGI compliant status for fiscal year of enrollment (e.g., “Compliant-Producer,” “Compliant-Less than 3 years,” “Mismatch Verified,” “Exempt,” etc.), unless an AGI Waiver is granted through RCPP authorities.
	<input type="checkbox"/>	<input type="checkbox"/>	Land Eligibility: 1. Easement area is eligible based on 440 CPM 511.24 and 511.23 E. a. Uploaded documentation specifies how all eligibility criteria are being met b. Documentation used to make technical determination of land eligibility (soil maps, etc.) is uploaded to NEST and is labeled to indicate the land eligibility criteria it supports. c. The hazardous substance records search and hazardous substance examination checklist are complete and uploaded. 2. Any applicable land eligibility waivers are approved.
	<input type="checkbox"/>	<input type="checkbox"/>	Access: There is sufficient legal and physical access to the entire easement area. If access is not via a public roadway, documentation of the legal access (i.e. easement, etc.) is uploaded in NEST.
	<input type="checkbox"/>	<input type="checkbox"/>	Easement Valuation: 1. Verify easement value was properly calculated based on the appraisal and the appraisal is current (511.70). 2. Easement value and landowner names are accurately stated on draft obligating document.

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<input type="checkbox"/>	<input type="checkbox"/>	Funds Reservation: Verify sufficient funds are reserved in FMMI and related Funds Reservation information is complete and accurate in NEST.
<input type="checkbox"/>	<input type="checkbox"/>	Signature Authority: Verify signature authority for NRCS and landowners (if applicable) are correctly documented
<input type="checkbox"/>	<input type="checkbox"/>	Waivers: All applicable waivers are approved and documented in the file (e.g., length of ownership, policy, etc.)
<input type="checkbox"/>	<input type="checkbox"/>	Complete and electronically sign the applicable section on <u>Certifications</u> page.
<input type="checkbox"/>	<input type="checkbox"/>	Enter review date and electronically sign IC-related elements on “Application” page of NEST.

STEP 2	---	Is national-level review required – transaction amount meets or exceeds the \$250,000 or state specific threshold as determined by EPD, or the transaction was selected for national-level IC review by NHQ? If yes, continue to STEP 3 – If no, skip to STEP 5 . Agreement amount:
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SUBMISSION FOR NATIONAL-LEVEL REVIEW BY STATE OFFICE		
STEP 3	<input type="checkbox"/>	Enter Maintenance Request (MR) in NEST and select Preobligation Approval-Request from the “Reason” drop-down list.

NATIONAL-LEVEL REVIEW		
	Action	Description
STEP 4	Cursory Review	<p>Confirm:</p> <ol style="list-style-type: none"> Items on the <u>Documents Checklist</u> are present in NEST, complete, accurate and signed as necessary Uploaded checklist includes all required signatures. First- and second-level review-related data are entered on “Application” page of NEST. <p><i>Note: If the initial review reveals that the package is not complete, the MR status will be set to FOLLOW-UP NEEDED. The checklist will be uploaded to the “Documents” section of NEST with a list of identified issues. The State must address all issues and add a new comment to the MR to change the status back to REQUESTED. If there are significant issues with the package, the MR status will be set to REJECTED/INCOMPLETE and the State must enter a new MR, upload a new checklist and address all identified issues to initiate a new review.</i></p>
	Assignment	ASSIGNED: If package is complete, MR status is changed to ASSIGNED . The signed checklist is uploaded to “Documents” section of NEST and the review is assigned to national-level in-depth reviewer.

	<p>In-Depth National Level Review (up to 30 days)</p>	<p>National-level IC reviewer will review all documents on the Documents Checklist and change the MR status in NEST as follows:</p> <p>COMPLETED: If package is complete and correct, MR status is changed to COMPLETED. The signed checklist is uploaded to the “Documents” section of NEST. State will continue to STEP 5.</p> <p>FOLLOW-UP NEEDED: If minor issues are identified that can be readily corrected, the MR status is changed to FOLLOW-UP NEEDED. The checklist will be populated with identified issues and uploaded to “Documents” section of NEST. State must correct the issues identified on the checklist, then add a new comment to the same MR to change the status back to REQUESTED.</p> <p>REJECTED/INCOMPLETE: If issues are identified in the submitted package that are contrary to policy or not rectifiable, the MR status is changed to REJECTED/INCOMPLETE and national program managers will be notified. The checklist will be populated with identified issues and uploaded to “Documents” section of NEST.</p> <p><i>Note: To subsequently begin a new review after REJECTED/INCOMPLETE review, state must enter a new MR, upload a new checklist, and upload any corrected and missing documents to the “Documents” section of NEST.</i></p>
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STEP 5	STATE/ESS OBTAIN LANDOWNER SIGNATURES ON AGREEMENT
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STEP 6	<p>OBTAIN STATE CONSERVATIONIST ELECTRONIC SIGNATURE ON CERTIFICATION PAGE AND PROCEED WITH EXECUTING AGREEMENT. <i>(Signature Authority: State must ensure STC or properly delegated Acting STC signs agreement following current program policy. Delegation must be uploaded to NEST documents page.)</i></p>
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STEP 7	SUBMIT OBLIGATION REQUEST PER APPLICABLE FPAC BUSINESS CENTER CUSTOMER GUIDE.
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POSTEXECUTION OF AGREEMENT BY STATE	
STEP 8	<p>After Option Agreement to Purchase or 30-year contract agreement is properly executed and funds are obligated, upload the following documents to the “Documents” section of NEST for ALL easement and 30-year land use contracts regardless of agreement amount:</p> <ul style="list-style-type: none"> • Fully executed agreement • FMMI funds reservation print • Fully executed IC checklist

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Results of the IC review are documented below, in supplemental documents cited herein, or both. During IC review, IC may provide “Findings,” “Notes,” or both. “Findings” require State action prior to IC approval. “Notes” do not require State action prior to IC approval and commonly include reminders of non-IC based requirements, recommendations, best practices for State consideration, or some combination of these.

NOTES/FINDINGS:

[Empty box for notes and findings]

DOCUMENTS CHECKLIST

This Documents Checklist is not a comprehensive listing of what should be documented in the physical file but, rather, lists what documents are normally required for Internal Controls reviews. National level reviewers may need to request additional documentation to clarify any matters which may arise during the review of the documents. States must ensure that the most current form versions are utilized, and all forms are completed, signed and dated correctly. States must also verify that all data is entered in NEST correctly.

1 st LEVEL REVIEW	2 nd LEVEL REVIEW	DOCUMENTS	DESCRIPTION
<input type="checkbox"/>	<input type="checkbox"/>	1. Application	Current application form completed, signed and dated by current landowner. <ul style="list-style-type: none"> • NRCS-CPA-1200, “Conservation Program Application”
<input type="checkbox"/>	<input type="checkbox"/>	2(a). Proof of Ownership	Current recorded property deed or current evidence of ownership that covers all offered land and demonstrates length of ownership, including breakdown of ownership shares, if applicable
<input type="checkbox"/>	<input type="checkbox"/>	2(b). Proof of Ownership	Supporting documentation confirming the legal description in the proof of ownership matches the offered easement area (e.g., county tax maps plat book, or easement maps with township, range and sections or other unique locators matching ownership documentation legal descriptions)
<input type="checkbox"/>	<input type="checkbox"/>	3. Preliminary Title Search	Preliminary title search (e.g., title commitment or binder)
<input type="checkbox"/>	<input type="checkbox"/>	4. Proof of Recordable Access or Existing Access	Proof of sufficient physical and legal access to entire easement area. <ul style="list-style-type: none"> • If access is via a public road, the location and name of the road must be shown on a map of the easement area. • If access is not via a public road (or if the title commitment includes an exception for lack of access), the following must be provided: <ul style="list-style-type: none"> ○ Map showing (i) access route between public road and easement area and (ii) ownership of lands underlying non-public access routes ○ Documentation confirming access rights along non public access route (i.e. recorded easement or written agreement with adjacent landowner to provide such access rights prior to closing. • If access is across an existing NRCS easement, provide written confirmation that access is (i) physically feasible and (ii) will not negatively impact the purposes of the existing easement.

1 st LEVEL REVIEW	2 nd LEVEL REVIEW	DOCUMENTS	DESCRIPTION
<input type="checkbox"/>	<input type="checkbox"/>	5. Subsidiary Prints for current fiscal year	<p><u>HFRP:</u></p> <p>Subsidiary print for all landowners listed on the proof of ownership document or preliminary title search is required to confirm that the landowners are in SCIMS.</p> <p><u>RCCP-HFRP:</u></p> <p>Subsidiary prints for all landowners* listed on the proof of ownership document or preliminary title search which shows the landowners in an AGI compliant status (e.g. “Compliant – Producer,” “Compliant – Less than 3 years,” “Mismatch Verified,” “Exempt,” etc.) for fiscal year of obligation.</p> <p style="text-align: center;"><i>NOTE: landowner eligibility is not required for a non-record spouse e.g. listed on title commitment only to convey spousal rights.</i></p> <p>Confirm eligibility is correct in NEST</p> <p><i>*If landowner is an entity, all members documented on the CCC-901, CCC-902 or FSA business file must have subsidiary print documenting their eligibility as required by eligibility matrix.</i></p>
<input type="checkbox"/>	<input type="checkbox"/>	6. Landowner Entity Documents	<p>Current CCC-901 or CCC-902</p> <p>and</p> <p>FSA business file screen print</p>
<input type="checkbox"/>	<input type="checkbox"/>	7. Signature Authority	<p><u>Individual Landowners:</u> Power of attorney, court orders of appointment or other legal documents (if applicable)</p> <p><u>Entity Landowners:</u> Document which states the name of the individual who has the authority to sign on behalf of the entity Ex: Articles of incorporation and bylaws, corporate charters, trust agreements, partnership agreement, probated last will and testament</p>
<input type="checkbox"/>	<input type="checkbox"/>	8. Environmental Records Database Search	Environmental Records Database search which covers the entire offered easement area
<input type="checkbox"/>	<input type="checkbox"/>	9. HFRP Hazardous Substance Examination Checklist	Completed on the most current version of the form - which covers the entire offered easement area and signed by an NRCS employee

<input type="checkbox"/>	<input type="checkbox"/>	10. Land eligibility summary and map	<p>Land eligibility documentation must show the following:</p> <ul style="list-style-type: none"> • Proposed easement boundary • Total proposed easement acres • Land eligibility for all acres using the categories listed in 440 CPM Section 511.24A, including adjacent lands • Documentation used to make the state’s technical determination as to each land eligibility category for the entire offered easement area <p><i>NOTE: State is responsible for ensuring technical determinations meet policy. The documentation of that assessment and determination must be available for review. Additional documentation may be requested if the provided information is insufficient for review.</i></p>
<input type="checkbox"/>	<input type="checkbox"/>	11. Ranking	Signed and dated ranking showing that the proposed enrollment ranked high enough for funding in the current fiscal year.
<input type="checkbox"/>	<input type="checkbox"/>	12. Waivers	All waivers (including adjustment of terms for RCPP projects) approved by the State Conservationist, EPD or the Chief related to the easement enrollment.
<input type="checkbox"/>	<input type="checkbox"/>	13..Appraisal and Supporting Documentation	<p>Upload the following:</p> <ul style="list-style-type: none"> • Full appraisal document, including the summary, that includes acres and values • Approved technical appraisal review • National Appraiser review, if applicable <p>If a landowner offer was made, it must be uploaded regardless of whether it is being used to determine easement compensation.</p>
<input type="checkbox"/>	<input type="checkbox"/>	14. Draft Obligating Document	<p>Current draft agreement with all applicable exhibits</p> <p>Verify the agreement includes the correct landowner names, acreage and purchase amount.</p>
<input type="checkbox"/>	<input type="checkbox"/>	15. FMMI Funds Reservation Report	<p>Report or screen print showing the following:</p> <ul style="list-style-type: none"> • Landowner names (showing ownership percentages as applicable) • Nest number • Funds availability

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CERTIFICATIONS

First-Level Review (Required for all obligation packages. Must be completed by NRCS employee.)

Name:		Title:	
Phone Number:		Review Date:	Entered in NEST: Yes-No
<i>By signing below, I am certifying that I have completed the required first-level review as instructed.</i>			
Signature:			

Second-Level Review (Required for all obligation packages. Must be completed by NRCS employee.)

Name:		Title:	
Phone Number:		Review Date:	Entered in NEST: Yes-No
<i>By signing below, I am certifying that I have completed the required second-level review as instructed.</i>			
Signature:			

National-Level Cursory Review (Required only when the obligation meets or exceeds the threshold or is selected at random)

Name:		Title:	
Phone Number:		Date Review Started:	
INCOMPLETE	FOLLOWUP NEEDED	COMPLETED	
NHQ IC Review Signature:			

National Level In-Depth Review (Required only when the obligation meets or exceeds the threshold or is selected at random)

Name:		Title:	
Phone Number:		Date Review Started:	
INCOMPLETE	FOLLOWUP NEEDED	COMPLETED	
NHQ IC Review Signature:			

Note: The following signatures are not to be signed prior to completion of first- and second-level reviews or prior to national-level review signatures, if applicable.

State Conservationist Certification (Required for all obligation packages)

<i>By signing below, I am certifying that all appropriate levels of review have been completed as required and that the obligation for this project is calculated correctly and adequately supported with documentation.</i>			
STC Signature:		Date:	