

## 530.141N Cancellation with Cost Recovery Letter

VIA CERTIFIED MAIL: RETURN RECEIPT REQUESTED

<<Date>>

«Decision\_Maker\_Common\_Name»

«Decision\_Maker\_Information\_Address\_Line»

«Decision\_Maker\_Delivery\_Address\_Line»

«Decision\_Maker\_Address\_City», «Address\_State» «Address\_Zip\_Code»

Contract #: «Contract\_Number»

Dear «Decision\_Maker\_Common\_Name»:

We have received your <<insert date of request>> written request for cancellation of your <<Insert Program Name (Acronym)>> contract <<insert contract number >>. As you requested, your contract has been cancelled, with the effective date for cancellation set as the date of this letter. According to <<cite to the applicable program regulation section and paragraph>>, all rights to any payments under the contract are forfeited and the Natural Resources Conservation Service (NRCS) may require participants to refund all payments.

In this specific case, I have determined that NRCS must recover costs in the amount of \$<<enter figure>> for the cancellation of your contract because <<the previously installed conservation practices or activities cannot function independently, previously installed conservation practices or activities that are required to make a system operate properly to address the identified resource concerns are negatively impacted or will be affected by the absence of other conservation practices or activities that would have been installed under the contract, or other applicable reason>>.

Therefore, the total amount of cost recovery includes \$<<enter figure>> for financial assistance payments made to you under the contract. <<List the contract item description and dollar amount for each item for which cost recovery is being assessed. This may be included as an attachment>>.

The cancellation of your <<Insert Program Name (Acronym)>> contract, as well as the right of NRCS to recover costs, is not appealable for the following reasons:

- Contract cancellation was completed at your written request.
- NRCS's right to recover costs is a matter of program regulation.

If you believe NRCS incorrectly assessed the amount of the cost recovery, you may seek an administrative review of this amount through the appeals process. The amount of cost recovery is an adverse NRCS program decision; as such, you may appeal no later than 30 calendar days from the date that you receive this letter. The details of your appeal rights are enclosed.

This is not a bill. Your debt as shown above has been entered into the USDA National Finance Center (NFC) accounting system to generate a bill requesting payment for these amounts. You will receive this bill by separate mailing along with instructions for paying the bill.

If payment is not received within 30 calendar days of the date of the NFC bill, then interest will start to accrue on the total amount. After 30 calendar days, NFC will send up to three demand letters and then transfer the debt to the U.S. Department of the Treasury to offset the payment against any other payments issued to you. Collection of amounts due will follow Debt Collection Improvement Act procedures and will accrue interest at the current value of funds rate published in the Federal Register by the U.S. Department of the Treasury.

If you have filed an appeal within the 30 calendar days, your bill will be placed on hold in a pending status during the appeal. After appeal, if it is determined that payment is still due to USDA NRCS, the hold will be removed, and collection of the debt will continue as stated previously.

If you have any questions regarding this matter, please call <<enter name>> <<(XXX) XXX-XXXX. You may securely view and interact with your NRCS Conservation Records through [www.Farmers.gov](http://www.Farmers.gov).

<<Enter STC name>>  
State Conservationist

cc:  
District Conservationist  
ASTC (FO)  
ASTC (P)  
SAO

Enclosure:  
Appeal Rights for Non-Title 12 Program Adverse Program Decisions

## Appeal Rights

If you disagree with the enclosed program decision, you may appeal or request equitable relief no later than 30 calendar days from the date that you receive this letter. You have the right to appeal when there is a question of fact or when there is some dispute as to the correct application of a rule, regulation, or generally applicable provision. The following four options are available for you to furnish facts and evidence to show how the decision is in error or contrary to the applicable program rules:

1. **Informal Review** – You may request that the NRCS State conservationist (STC) reconsider this decision by filing a written request no later than 30 calendar days after you receive this notice in accordance with NRCS’s appeal procedures found at 7 CFR Section 614.9. If you request reconsideration, you will have an informal hearing with the NRCS STC that you or your representative may attend in person or by telephone. NRCS will issue a new decision at the conclusion of reconsideration and if the decision remains adverse NRCS will provide additional appeal options. To request reconsideration, write to the NRCS STC at the following address and explain why you believe this determination is erroneous: <<address>>.
  
2. **Request Mediation** – Mediation is an informal proceeding in which a trained, impartial person will help us look at mutual concerns, consider options, and determine if we can agree on a solution. Any agreement reached during, or because of, the mediation process must conform to the statutory, regulatory, and policy provisions governing the applicable program. The mediator has no decision-making authority but may be able to help all parties to improve communications, understand the relevant issues, and explore alternatives. Requesting mediation will pause the 30-calendar-day appeal clock. If mediation is unsuccessful, you will have the remainder of the 30 calendar days to request one of the other options. You may request mediation by writing to the NRCS STC at the following address: <<address>>.
  
3. **Appeal to the National Appeals Division (NAD)** – You may appeal to NAD within 30 calendar days of the date of this notification and include a copy of this letter and the reasons why you disagree with this decision. If you appeal to NAD, you will have a hearing that you or your representative may attend in person or by telephone. You may also choose to request that a NAD administrative judge review the documents in your file, without a personal appearance, to see if the agency decision was correct. Once a hearing with NAD begins, you waive any rights you might have to reconsideration, appeal to FSA, and mediation. To appeal directly to NAD, mail your request to the following address: <<select the applicable regional office from choices below, and delete the other locations>>

Eastern Region of NAD	Southern Region of NAD	Western Region of NAD
Regional Director P.O. Box 68806 Indianapolis, IN 46268-0806	Regional Director P.O. Box 1508 Cordova, TN 38088	Regional Director 755 Parfet Street, Suite 494 Lakewood, CO 80215-5506

If you do not appeal to NRCS directly, please provide the NRCS STC with a copy of your appeal request at the following address: <<address>>.

4. **Request Equitable Relief Under NRCS Relief Authority at 7 CFR Part 635** – NRCS or NAD may provide relief to any participant that is determined to be not in compliance with the requirements of a covered program, and therefore ineligible if the participant—
  - (1) acting in good faith, relied on the misaction or misinformation by NRCS; or
  - (2) failed to comply fully with the requirements of the covered program but made a good faith effort to comply with the requirements.

As a condition of receiving equitable relief, you may be required to take actions deemed necessary by NRCS to remedy the failure to comply with the program requirements. To request equitable relief, write to the NRCS STC at the following address and explain why you believe you should be granted relief: [address]. If NRCS denies your request for equitable relief, you will be provided with an opportunity to appeal that adverse decision to the NAD under 7 CFR section 614.9(e).