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## TITLE 300 – NATIONAL INSTRUCTION

# Part 312 – Instructions for Extending Administration of Post-Inflationary Supplemental Payments

October 2023

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### 312.0 Purpose

This national instruction provides guidance on extending the administration of post-inflationary supplemental payments (PISPs) for practices in eligible Environmental Quality Incentives Program (EQIP) contracts.

### 312.1 Special Instructions

This national instruction is effective upon publication and expires September 30, 2024. Questions about this national instruction may be directed to the Financial Assistance Programs Division (FAPD) SharePoint.

### 312.2 Background

- A. In January 2023 NRCS began providing PISPs and flexible contract management actions to help producers offset additional costs caused by inflation. The PISPs were offered to active EQIP contracts that had eligible practices and were obligated in fiscal years (FY) 2015 to 2022.
- B. During the PISP period (January 1, 2023–September 1, 2023), the Federal Emergency Management Agency (FEMA) declared 86 disasters in 35 states and territories. These disasters prevented many participants from completing planned practices before September 1, 2023, due to limited local resources, material shortages, and price spikes.
- C. To account for the impact of these disasters, NRCS is extending the timeframe of PISP eligibility for affected participants and participants who have made substantial progress in completing eligible practices.

### 312.3 Extending Post-Inflationary Supplemental Payment Timeframes

- A. The timeframe to earn a PISP is being extended until September 1, 2024, for participants with active FY 2015–2022 EQIP contracts that meet the following criteria:
  - 1. The participant had started and was not able to complete eligible practices between January 1, 2023, and September 1, 2023.

- The contracts are within an area that was affected by a nationally declared disaster (see figure 312-1 for a list of states, or portions thereof, that have experienced declared national disasters as of September 1, 2023).

**Note:** More states may be added depending on [current FEMA disaster declarations](#) for disasters that occurred before September 1, 2023.

- There is adequate documentation from either the participant or NRCS that the practice had started before September 1, 2023, and was delayed due to a nationally declared disaster.

**Figure 312-1: Fiscal Year 2023 PISPs Period List of Disasters**

State	Disasters
AK	<ul style="list-style-type: none"> <li>Alaska Flooding (DR-4730-AK)</li> <li>Alaska Lost Horse Creek Fire (FM-5473-AK)</li> </ul>
AL	<ul style="list-style-type: none"> <li>Alabama Severe Storms, Straight-line Winds, and Tornadoes (DR-4710-AL)</li> <li>Alabama Severe Storms, Straight-line Winds, and Tornadoes (DR-4684-AL)</li> </ul>
AR	<ul style="list-style-type: none"> <li>Arkansas Severe Winter Storm (DR-4700-AR)</li> <li>Arkansas Severe Storms and Tornadoes (DR-4698-AR)</li> </ul>
AZ	<ul style="list-style-type: none"> <li>Navajo Nation Severe Winter Storms and Flooding (DR-4703)</li> <li>Arizona Diamond Fire (FM-5466-AZ)</li> </ul>
CA	<ul style="list-style-type: none"> <li>Soboba Band of Luiseno Indians Severe Winter Storm and Flooding (DR-4713)</li> <li>Soboba Band of Luiseno Indians Severe Storm and Flooding (DR-4714)</li> <li>California Severe Winter Storms, Straight-line Winds, Flooding, Landslides, and Mudslides (DR-4699-CA)</li> <li>Bear River Band of the Rohnerville Rancheria Earthquake (DR-4692)</li> <li>California Severe Winter Storms, Flooding, Landslides, and Mudslides (DR-4683-CA)</li> <li>California Severe Winter Storms, Flooding, and Mudslides (EM-3591-CA)</li> <li>Hoop Valley Tribe Severe Winter Storms and Mudslides (DR-4707)</li> <li>California Severe Winter Storms, Flooding, Landslides, and Mudslides (EM-3592-CA)</li> </ul>
CO	<ul style="list-style-type: none"> <li>Colorado Severe Storms, Flooding, and Tornadoes (DR-4731-CO)</li> </ul>
FL	<ul style="list-style-type: none"> <li>Florida Severe Storms, Tornadoes, and Flooding (DR-4709-FL)</li> <li>Florida Hurricane Idalia (DR-4734-FL)</li> <li>Florida Tropical Storm Idalia (EM-3596-FL)</li> </ul>
GA	<ul style="list-style-type: none"> <li>Georgia Severe Storms, Straight-line Winds and Tornadoes (DR-4685-GA)</li> </ul>
GU	<ul style="list-style-type: none"> <li>Commonwealth of the Northern Mariana Islands Typhoon Mawar (DR-4716-MP)</li> <li>Guam Typhoon Mawar (EM-3594-GU)</li> <li>Commonwealth of the Northern Mariana Islands Typhoon Mawar (EM-3593-MP)</li> <li>Guam Typhoon Mawar (DR-4715-GU)</li> </ul>
HI	<ul style="list-style-type: none"> <li>Hawaii Wildfires (DR-4724-HI)</li> <li>Hawaii Kohala Ranch Fire (FM-5474-HI)</li> <li>Hawaii Pulehu Fire (FM-5477-HI)</li> <li>Hawaii Mauna Kea Beach Fire (FM-5478-HI)</li> <li>Hawaii Lahaina Fire (FM-5475-HI)</li> <li>Hawaii Upcountry Fire (FM-5476-HI)</li> </ul>

State	Disasters
IA	<ul style="list-style-type: none"> <li>Iowa Flooding (DR-4732-IA)</li> </ul>
IL	<ul style="list-style-type: none"> <li>Illinois Severe Storms and Flooding (DR-4728-IL)</li> </ul>
IN	<ul style="list-style-type: none"> <li>Indiana Severe Storms, Straight-line Winds, and Tornadoes (DR-4704-IN)</li> </ul>
KS	<ul style="list-style-type: none"> <li>Kansas Haddam Fire (FM-5463-KS)</li> </ul>
KY	<ul style="list-style-type: none"> <li>Kentucky Severe Storms, Straight-line Winds, Flooding, Landslides, and Mudslides (DR-4711-KY)</li> <li>Kentucky Severe Storms, Straight-line Winds, Tornadoes, Flooding, Landslides, and Mudslides (DR-4702-KY)</li> </ul>
LA	<ul style="list-style-type: none"> <li>Louisiana Highway 113 Fire (FM-5486-LA)</li> <li>Louisiana Lions Camp Road Fire (FM-5485-LA)</li> <li>Louisiana Providence Fire (FM-5484-LA)</li> <li>Louisiana Tiger Island Fire (FM-5482-LA)</li> </ul>
ME	<ul style="list-style-type: none"> <li>Maine Severe Storm and Flooding (DR-4736-ME)</li> <li>Maine Severe Storm and Flooding (DR-4719-ME)</li> <li>Maine Severe Storm and Flooding (DR-4696-ME)</li> </ul>
MN	<ul style="list-style-type: none"> <li>Minnesota Severe Storms and Flooding (DR-4722-MN)</li> </ul>
MS	<ul style="list-style-type: none"> <li>Mississippi Severe Storms, Straight-line Winds, and Tornadoes. (DR-4727-MS)</li> <li>Mississippi Severe Storms, Straight-line Winds, and Tornadoes (DR-4697-MS)</li> </ul>
MT	<ul style="list-style-type: none"> <li>Montana River Road East Fire (FM-5480-MT)</li> <li>Montana Flooding (DR-4726-MT)</li> </ul>
ND	<ul style="list-style-type: none"> <li>North Dakota Nd Flooding - 04/10/2023 (DR-4717-ND)</li> <li>North Dakota Severe Winter Storm, Snowstorm, and Straight-line Winds (DR-4686-ND)</li> </ul>
NE	<ul style="list-style-type: none"> <li>Nebraska Waconda-beaver Lake Fire Complex (FM-5462-NE)</li> </ul>
NH	<ul style="list-style-type: none"> <li>New Hampshire Severe Storm and Flooding (DR-4693-NH)</li> </ul>
NJ	<ul style="list-style-type: none"> <li>New Jersey Severe Storm and Flooding (DR-4725-NJ)</li> </ul>
NM	<ul style="list-style-type: none"> <li>New Mexico Las Tusas Fire (FM-5465-NM)</li> <li>New Mexico Echo Ridge Fire, Nm Fmag (FM-5461-NM)</li> </ul>
NV	<ul style="list-style-type: none"> <li>Nevada Severe Winter Storms, Flooding, Landslides, and Mudslides (DR-4708-NV)</li> </ul>
NY	<ul style="list-style-type: none"> <li>New York Severe Storms and Flooding (DR-4723-NY)</li> <li>New York Severe Winter Storm and Snowstorm (DR-4694-NY)</li> </ul>
OK	<ul style="list-style-type: none"> <li>Oklahoma Severe Storms, Straight-line Winds, and Tornadoes (DR-4721-OK)</li> <li>Oklahoma Severe Storms, Straight-line Winds, and Tornadoes (DR-4706-OK)</li> <li>Muscogee Creek Nation Severe Winter Storm (DR-4690)</li> <li>Oklahoma Gap Road Fire, Oklahoma Fmag (FM-5460-OK)</li> <li>Oklahoma Hefner Fire, Oklahoma Fmag (FM-5459-OK)</li> <li>Oklahoma Simpson Fire, Oklahoma Fmag (FM-5458-OK)</li> </ul>
OR	<ul style="list-style-type: none"> <li>Burns Paiute Tribe Severe Storm, Flooding, Landslides, and Mudslides (DR-4733)</li> <li>Oregon Cedar Creek Fire (FM-5457-OR)</li> <li>Oregon Liberty Fire (FM-5483-OR)</li> <li>Oregon Golden Fire (FM-5471-OR)</li> </ul>
RI	<ul style="list-style-type: none"> <li>Rhode Island Exeter Fire (FM-5464-RI)</li> </ul>
SC	<ul style="list-style-type: none"> <li>South Carolina Hurricane Idalia (EM-3597-SC)</li> </ul>

State	Disasters
SD	<ul style="list-style-type: none"> <li>• South Dakota Flooding (DR-4718-SD)</li> <li>• South Dakota Severe Winter Storms and Snowstorm (DR-4689-SD)</li> <li>• Rosebud Sioux Tribe Severe Winter Storms and Snowstorm (DR-4687-SD)</li> <li>• Oglala Sioux Tribe Severe Winter Storms and Snowstorm (DR-4688)</li> </ul>
TN	<ul style="list-style-type: none"> <li>• Tennessee Severe Storms and Straight-line Winds (DR-4729-TN)</li> <li>• Tennessee Severe Thunderstorms and Possible Strong Tornadoes (DR-4712-TN)</li> <li>• Tennessee Severe Storms, Straight-line Winds, and Tornadoes (DR-4701-TN)</li> <li>• Tennessee Severe Winter Storm (DR-4691-TN)</li> <li>• Tennessee Severe Storms and Straight-line Winds (DR-4735-TN)</li> </ul>
TX	<ul style="list-style-type: none"> <li>• Texas Severe Winter Storm (DR-4705-TX)</li> </ul>
VT	<ul style="list-style-type: none"> <li>• Vermont Severe Storms, Flooding, Landslides, and Mudslides (DR-4720-VT)</li> <li>• Vermont Flooding (EM-3595-VT)</li> <li>• Vermont Severe Storm and Flooding (DR-4695-VT)</li> </ul>
WA	<ul style="list-style-type: none"> <li>• Washington Oregon Fire (FM-5481-WA)</li> <li>• Washington Eagle Bluff Fire (FM-5472-WA)</li> <li>• Washington Newell Road Fire (FM-5470-WA)</li> <li>• Washington Baird Springs Fire (FM-5469-WA)</li> <li>• Washington Mcewan Fire (FM-5468-WA)</li> <li>• Washington Tunnel Five Fire (FM-5467-WA)</li> <li>• Washington Severe Winter Storm, Straight-line Winds, Flooding, Landslides, and Mudslides (DR-4682-WA)</li> <li>• Washington Gray Fire (FM-5479-WA)</li> </ul>

- B. Additionally, the timeframe to earn a PISP is being extended until December 1, 2023, for all participants in all states with active, eligible FY 2015–2022 EQIP contracts that meet the following criteria:
1. The participant had made substantial progress in completing planned practices prior to September 1, 2023. “Substantial progress” means that the producer had purchased materials and begun implementing the practice, and the practice has an expected completion date by December 1, 2023.
  2. There is adequate documentation from either the participant or NRCS that the practice had started before September 1, 2023.
- C. States must follow section 312.5 of this part when administering PISPs for affected contracts. Participants who received or will receive the PISP should be notified using the template letter in exhibit 312.6(A). States must also ensure that all appropriate steps have been completed accurately by using the streamlined Payment Review Checklist for PISPs in exhibit 312.6(B).
- D. Only active EQIP contracts are eligible for PISPs. Expired, cancelled, and terminated contracts do not qualify for a PISP. Additionally, practices that have already earned a Coronavirus Agricultural Relief Payment are not eligible for a PISP.

## 312.4 Requirements for Offering Post-Inflationary Supplemental Payments

- A. NRCS has identified 30 conservation practices in figure 312-2 where payment scenarios have increased in price the most (i.e., 10 percent or greater, not to exceed 40 percent).

**Figure 312-2: Practices Eligible for PISP Adjustments**

Practice Code	Practice Name
325	High Tunnel System
327	Conservation Cover
367	Roofs and Covers
382	Fence
391	Riparian Forest Buffer
410	Grade Stabilization Structure
422	Hedgerow Planting
441	Irrigation System, Microirrigation
443	Irrigation System, Surface and Subsurface
464	Irrigation Land Leveling
490	Tree/Shrub Site Preparation
512	Pasture and Hay Planting
516	Livestock Pipeline
528	Prescribed Grazing
533	Pumping Plant
558	Roof Runoff Structure
560	Access Road
561	Heavy Use Area Protection
574	Spring Development
575	Trails and Walkways
576	Livestock Shelter Structure
578	Stream Crossing
612	Tree/Shrub Establishment
614	Watering Facility
642	Water Well
643	Restoration of Rare or Declining Natural Communities
647	Early Successional Habitat Development/Management
655	Forest Trails and Landings
660	Tree/Shrub Pruning
666	Forest Stand Improvement

- B. Each payment scenario has a PISP rate representing the percentage change in price. The National Payment Schedule Core Team has built a database to automatically calculate the PISP rate of these practices for all states and territories. The PISP database is available on the FAPD SharePoint.

- C. States must apply PISPs to all eligible contracts. National headquarters will provide the additional funds for this adjustment.
  - 1. States may only use these funds to pay for PISPs associated with the 30 practices that were planned in FY 2015–2022 contracts and will be completed between January 1, 2023, and September 1, 2024.
  - 2. States must request PISP funds through the “Cost Overrun Request” portal on the FAPD SharePoint.
- D. PISP Assistance for Regional Conservation Partnership Program EQIP Contracts
  - 1. States may also provide PISP assistance based on the guidance above to participants with Regional Conservation Partnership Program (RCPP) EQIP contracts that meet the following criteria:
    - a. The RCPP project has sufficient remaining (i.e., unobligated) financial assistance funds to provide PISP assistance to all eligible participants. **Note:** States should not expect additional allocation from national headquarters for RCPP contracts.
    - b. The STC confirms with the project sponsor that the additional payment is needed to meet the project’s objectives.
    - c. The original RCPP project deliverables would not be compromised by repurposing the unobligated financial assistance funds (e.g., if RCPP-EQIP deliverables are acre-specific, acres enrolled would not be reduced by using funds for PISPs).
  - 2. States that can meet these criteria should issue a state bulletin that clearly identifies which RCPP-EQIP project contracts are eligible to receive a PISP.
- E. PISPs for Great Lakes Restoration Initiative EQIP Contracts
  - 1. States must also follow this guidance to provide PISPs to Great Lakes Restoration Initiative (GLRI) EQIP participants with qualifying contracts from FY 2017 and later. PISPs are not available for GLRI contracts prior to FY 2017.
  - 2. Funds must be paid from each GLRI contract’s original account, which means PISP assistance depends upon whether additional funds are available in those accounts. If adequate funding is not available in the GLRI contract’s original account, the state should contact the GLRI coordinator about whether a fund transfer from a state with available funding is possible. If adequate funding cannot be obtained, the payment will not be possible.
  - 3. State-submitted PISP requests should include GLRI-EQIP. Do not submit a separate request for GLRI-EQIP.
- F. Processing PISPs and Contract Actions
  - 1. PISPs should only be offered for installed practices. Practices can be considered installed if the participant has requested that they be checked out by the deadline, even if they are found deficient and subsequently corrected after the deadline to meet practice requirements.

2. States must implement this opportunity equitably.
3. This payment adjustment cannot exceed contract limits or payment limitations. However, state conservationists and area directors may waive any state payment caps. Copies of these waivers should be included in each participant's contract case file.
4. The National Payment Schedule Core Team has added PISP components to FY 2015–2022 EQIP payment schedules for all states and territories.

### 312.5 Administering Post-Inflationary Supplemental Payments

- A. State offices must follow the steps below to ensure that all eligible participants receive a PISP.
- B. Completed Practices for which Payment has Already Been Issued
  1. Run a report from ProTracts to identify the eligible practices already completed for active EQIP contracts.
  2. Use the PISP database to calculate the individual PISPs for each scenario with the formula below.
 

Final Practice Payment x PISP Rate = PISP.

**Note:** The PISP will be in addition to the payment already included in the contract.
  3. The PISP must be at least \$300 to be eligible. This can be per contract item number (CIN) or an aggregate of CINs.
  4. For active contracts eligible for PISPs—
    - a. Modify the contract to add the PISP scenario with the payment amount determined using the calculation provided above. (Use the “add, edit, or delete” or “other” modification type in ProTracts.)
    - b. Once obligated, the PISP should be issued as soon as possible.
    - c. If the PISP cannot be obligated before the contract expires, modify the contract to extend the expiration date enough so that the payment can be issued.
  5. For completed contracts eligible for PISPs—
    - a. Reactivate the contract and add the PISP scenario with the payment amount determined using the calculation provided above.
    - b. Once obligated, the PISP should be issued as soon as possible.
    - c. If the PISP cannot be obligated before the contract expires, modify the contract to extend the expiration date enough so that the payment can be issued.
  6. Participants do not need to sign the AD-1156, “Revision of Plan or Schedule of Operations or Modification of a Contract,” or the NRCS-CPA-1245, “Practice Approval and Payment Application.” Enter the current date as the “participant signed date” in ProTracts.

7. Use the streamlined Payment Review Checklist for PISPs (see exhibit 312.6(B)) to ensure that all appropriate steps have been completed accurately.

C. Practices for which Payment has not Already Been Issued

1. Use the PISP database to calculate the individual PISPs for each scenario with the formula below.

Final Installed Practice Extent x State Payment Amount per Unit x PISP Rate = PISP.

**Note:** The PISP will be in addition to the payment already included in the contract.

2. The PISP must be at least \$300 to be eligible. This can be per CIN or an aggregate of CINs.
3. For contracts eligible to receive a PISP, modify the contract to add the PISP scenario with the calculated payment amount. (States should use the “add, edit, or delete” or “other” modification type in ProTracts.)
4. Participants do not need to sign the AD-1156. Enter the current date as the “participant signed date” in ProTracts.
5. States should process the PISP at the same time the original contract items are paid, if possible. Participants must sign the NRCS-CPA-1245 for the original practice.
  - a. If the PISP cannot be processed at the same time as the original practice, the participant does not need to sign the NRCS-CPA-1245 for the PISP.
  - b. If the PISP cannot be obligated before the contract expires, modify the contract to extend the expiration date enough so that the payment can be issued.

- D. There is no deadline by which states must process PISPs, but the expectation is that they be made as soon as possible.
- E. States should notify participants who received or will receive the PISP adjustment using the template letter in exhibit 312.6(A). If participants do not wish to keep the additional funds, they should contact their field offices for instructions on returning funds.
- F. With each modification and payment, states must include a list of the practice scenarios the payment is supporting, along with the following statement to justify the additional payment:

“This additional payment reflects the Post-Inflationary Supplemental Payment NRCS is providing to mitigate the increased cost of contracts affected by commodity price spikes. As this payment is being applied automatically to all affected contracts, participant signatures are not required.”

G. PISPs Processed After October 1, 2023

1. ProTracts system limitations prevent practices, including PISPs, from being scheduled in ProTracts in October, November, and December of the final



calendar year of the contract once the fiscal year rolls over. When paying PISPs after October 1, 2023, planners must schedule PISP contract items for calendar year (CY) 2024.

2. For contracts that are currently set to expire in CY 2023, states should follow the below guidance for scheduling PISPs.
  - a. Determine which eligible contracts that expire in CY 2023 still need to have one or more PISPs processed.
  - b. Modify each of these contracts to expire in CY 2024, and then schedule the PISPs in ProTracts in CY 2024, but on or before the new expiration date.

**Note:** The new expiration date should be determined based on how quickly the PISPs can be processed.
  - c. The payments should be processed as soon as possible. Participants do not need to sign for these modifications. However, include the following statement in the basis for modification on NRCS-CPA-1156:

“This additional payment is a 2023 Post-Inflationary Supplemental Payment (PISP) that NRCS is providing to mitigate the increased cost of contracts affected by commodity price spikes. Because ProTracts system limitations are preventing this payment from being processed within the current contract period, the contract expiration date recorded in ProTracts is being extended to [insert date]. This is an administrative change to facilitate PISP processing only; therefore, participant signatures are not required. The actual contract expiration date of [insert date] remains in effect. These actions are being applied automatically to all similarly affected contracts.”

## 312.6 Exhibits

- A. Exhibit A. Participant Notification Letter for PISPs.
- B. Exhibit B. Payment Review Checklist for PISPs.