

Action Required By: June 15, 2007

Purpose. To provide notice for States to process CSP 2007 Continuing Resolution Limit Payments and change CSP modification approval permissions in ProTracts.

Expiration Date. September 30, 2007

Background. NRCS received an initial apportionment for the Conservation Security Program (CSP) and initiated 2007 payments on November 8, 2006, under the authority of a continuing resolution. The initial installation of the 2007 CSP payment was capped at the 2006 contract payment level. This was accomplished by a script in ProTracts which added a negative contract item. This script was also built to run in the "submit modification for approval" process in ProTracts. The reduction item was identified as Continuing Resolution Limit (CRL) on the Form NRCS-1245 of each applicable contract.

NRCS has received a second apportionment and will therefore initiate a supplemental 2007 payment to those CSP participants whose payments were reduced by the CRL. ProTracts will add a Continuing Resolution Limit Payment (CRLP) item to be generated on the NRCS-1245 to offset a portion of the original negative CRL item. This CRLP amount is dependent upon available funds and therefore must be pro-rated.

To expedite processing of this supplemental payment, if the CRLP item is the only item on the Form NRCS-1245, the participant signature will not be required. However, if other contract items are certified for payment on the Form NRCS-1245 along with the CRLP item, participant practice certification signatures are required as per Conservation Program Manual (440-CPM), Part 512, Section 512.60.

Beginning March 27, 2007, CSP modifications were disabled in ProTracts to ensure no 2007 obligation changes occur and no further alternations made to the CRL or subsequent CRLP calculations. This action should have a minimal effect on current year contract payment activities as National Bulletin 300-7-2 dated October 23, 2006, directed States to complete maintenance modifications by November 3, 2006, and complete 2007 annual payments by February 1, 2007. CSP modifications may resume when the 2007 CRLP process is completed, and only to allow maintenance modifications which do not change contract obligations. These maintenance modifications will be limited to actions that do not result in changes to contract obligations such as cancellations, terminations, and changes in participant information needed prior to the next annual payment cycle as per 440-CPM, Part 518, Section 518.102 B.

Effective immediately, CSP modifications which change any CSP contract obligation, either positive or negative, regardless of the amount, must be approved by the State Conservationist or Assistant State Conservationist as delegated. Decreases in obligations are potential contract violations which must be elevated to the State Conservationist for a determination on contract termination and or cost recovery. Additionally, increases in obligations are contract improvement modifications which are only allowed during an announced contract improvement modification period. **Because there is currently no mechanism in ProTracts to enforce these requirements, State Conservationist will immediately take actions to remove CSP modification approval permissions from all other user roles in ProTracts.**

States will immediately take action to complete the CSP CRL payments by **June 15, 2007**.

Contact. If you have any questions, please contact the Director, Financial Assistance Programs Division, at (202) 720-1844.

/s/

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