



Natural Resources Conservation Service  
6013 Lakeside Blvd.  
Indianapolis, IN 46278

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November 8, 2011

**INDIANA BULLETIN NO. 300-12-3**

**SUBJECT:** LTP – Fiscal Year (FY) 2012 Conservation Stewardship Program (CSP 2008)  
Payments for 2011 Activities and Onsite Compliance Quality Assurance  
(QA) for 10% of all CSP contracts.

**Purpose:** To provide Indiana employees information and instructions for processing FY2012 CSP 2008 payments (for prior year activities) and completing QA reviews on selected Stewardship and Security contracts prior to annual payment.

**Expiration Date:** September 30, 2012

**ACTION REQUIRED BY: Payments - December 16, 2011 and April 2, 2012  
Compliance QA Reviews – December 30, 2011**

**Background:** Section 1238G(e)(4)(A) of the Food Security Act of 1985, as amended by Public Law 110-246 [16 U.S.C. Section 3838g(e)(4)(A)], requires the Secretary to make stewardship contract payments as soon as practicable after October 1 for activities carried out in the previous fiscal year. As a result of CSP audit, Office of Inspector General (OIG) has established some requirements for further verification of the participant's certifications regarding land condition and operation prior to issuance of annual payments

**Explanation:** Per [National Bulletin 300-12-2](#), CSP participants may choose to receive the payment in either calendar year 2011 or 2012. Payments will be approved by **December 16, 2011**, for those requesting payment in calendar year 2011 to allow adequate processing time in FFIS prior to the financial closing at the end of calendar year. Payments will be processed by **April 2, 2012**, for those requesting payment in calendar year 2012. Per [National Bulletin 300-12-6](#) a [10 % CSP 2008](#) list of contracts has been provided to States to implement a Quality Assurance review which goes beyond the annual contract review requirements outlined Title 440- CPM, Part 512, Section 512.55. This is an additional review required by NHQ as a result of past audits. The review does include a site visit to verify all acres control, management system, and conservation activity implementation prior to payment.

- CSP 2008 participants may only be paid on CSP 2008 contracts where either no corrective action is needed or necessary corrective actions have already been taken. If a modification is required the funds must be obligated for the current fiscal year (FY12) prior to beginning the modification. Therefore, a CSP 2008 participant enrolling land in the Conservation Reserve Program (CRP), Wetland Reserve Program (WRP), or

Grassland Reserve Program (GRP) will need to modify out any acres under a CSP contract to comply with 7 CFR 1470.6(5)(c). In the basis narrative for the modification, identify specific acres and tracts involved, and include new easement contract number and effective date as part of the justification for removal of the ineligible acres.

- Fiscal year contract payments will be issued based on the contracted obligation as indicated on Form NRCS-CPA-1245 in accordance with Title 440, CPM- Part 512, Subpart G, Section 512.61. Please make sure the amounts match what is expected and/or explain to the participant any reductions applied to the contract.
- The annual payment for the established conservation system is to include the installation and adoption of additional conservation activities and the improvement, maintenance, and management of existing conservation activities. Participants may also be receiving a supplemental payment for applying a resource conserving crop rotation on cropland. These payments will not be made unless the enhancements and/or practices are implemented as scheduled OR the participant has entered into an Agreement Covering Non Compliance with Provisions of the Contract Form NRCS-CPA-153.
- Once Fiscal year 2012 allocations have been provided to the states, prior year contracts will be promoted and obligated to allow for any modifications and payments.

[A CSP 2008 FY12 payment checklist](#) posted on Indiana SharePoint is to be used by field staff as reminders of items that must be verified prior to CSP payment approval. District Conservationist (DC) must submit check list submitted to Area Office and the APS will be forwarded to the State Office Server folder “FNM - APS Documentation” along with other documents listed on the checklist for payment processing.

**[Payment Notification Letters:](#)** DC must notify the participant that they can now request their annual contract payment. A general template letter to personalize with local Service Center letterhead and contact information is available on Indiana SharePoint.

**Enhancement Certification and payment processing:**

Any specific enhancement requirements per individual job sheets should be verified by the participant at the time of payment request by signing and dating the job sheet. The job sheets are the documents used to remind participants what they are certifying for payment. When the participant signs the NRCS-CPA-1245 to request payment, they are certifying that the agreed to conservation system and enhancements were completed in 2011.

Payment amounts will not be changed to adjust for actual performance. An actual performance level below what is required in the contract will be considered a potential contract violation. Potential contract violations are to be addressed with a formal contract review (per CPM Part 512.55). In these cases, the fiscal year contract payment will not be issued until an original NRCS-CPA-153 has been signed by the participant and the State Conservationist or Area Conservationist, as designee.

**Additional QA - Possible Delayed Payment Processing:**

The District Conservationist will conduct a site visit with the participant (if possible), verify control of land, and complete the [Stewardship worksheet](#) as required by NB300-12-6. The **original**, signed worksheet is to be maintained in the case file. A **scan**, of the signed worksheet,

must be provided to the State Office Programs Staff by **December 30, 2011**, via Area Program Specialist (APS). The Area Program Specialist will post to the State Office Server at S:\Service\_Center\NRCS\Quality Assurance\2012 QA\2012 CSP 10% QA. Any corrective actions for any errors found must be completed prior to issuing any payment to avoid improper payments.

**Note:** Per National Bulletin 300-12-6, the QA reviews must also be completed for Conservation Security Program (CSP 2002) contracts. SharePoint includes a [10 % CSP 2002](#) list of contracts that need to be reviewed prior to FY12 payment. The [Security worksheet](#) is also posted and would follow the same instructions above for completion. Any corrective actions for any errors found must be completed prior to issuing payment. Any modifications to the contract must be completed after annual obligations have been promoted and accepted into these contracts. **States have not received FY12 allocations so payments for Security will be addressed in future guidance.**

If you have questions concerning this Indiana Bulletin, please contact Teresah P. Caire, Assistant State Conservationist – Farm Bill Programs, or Mary Jo Woodruff CSP Specialist both at (317) 290-3200, ext. 311.

/s/

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State Conservationist