



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

December 15, 2011

INDIANA BULLETIN NO. 300-12-7

SUBJECT: LTP- Instructions for Implementation of Fiscal Year 2012 Environmental Quality Incentives Program (EQIP) and Wildlife Habitat Incentives Program (WHIP)

Purpose: To establish the processes and actions necessary to implement FY12 EQIP & WHIP in Indiana and release the 2012 EQIP and WHIP Guidelines and practice payment rates.

Expiration Date: September 30, 2012

Action Required By: May 4, 2012

This bulletin applies only to implementation of FY12 general EQIP and WHIP applications. Guidance on the National Initiatives, AWEP, CCPI, CCPI-MRBI, and Conservation Activity Plans will be released as national guidance and funds become available.

In order to meet the June 2, 2012 deadline, District Conservationists (DC) must focus efforts to identify qualified applicants, develop plans in Toolkit and enter applications in ProTracts as promptly as possible. Remaining FY11 applications in ProTracts need to either be deferred and then promoted to FY12 applications if the applicant wishes to continue, or canceled. This action will clear out all unfunded FY11 applications. If deferred, ProTracts letters should be issued to applicants and application cancellation requests must be documented in the case file.

General application guidance for [Conservation Program Contracting](#), [EQIP](#) and [WHIP](#) are posted on the Indiana Share Point, as well as on the Indiana NRCS website. Click the links to open the documents. These guidelines are quick references to the corresponding manual containing manual references for more information. A summary of the [2012 updates](#) can also be found in that folder. All field staff involved in the EQIP and WHIP application process must read and understand these documents.

The [2012 EQIP Practice Details](#) is posted to the SharePoint and the website. This guide contains 2012 cost information and specific program guidelines for practice implementation for EQIP.

DIST: 0

NOTE: National Headquarters has announced forthcoming changes to WHIP due to FY2012 funding levels. DCs must continue to accept applications by the process below and assist participants with eligibility determinations. Practice guidance, AERT guidance and cost lists will be released after NHQ provides the details of the new WHIP Working Lands for Habitat Project announced on 12/13/2012.

Application Process:

All applications will be uploaded to ProTracts and evaluated using the Application Evaluation and Ranking Tool (AERT). The AERT will include National, State and Local ranking priorities. The AERT will be used to rank all eligible applications except those for Conservation Activity Plans. Refer to the next section in this document for instructions and guidance documents for completing the AERT.

- 1) When the Toolkit plan and ranking are complete, the DC will advise the Area Conservationist (AC) or designee, that the application is ready for application Quality Assurance review (QA). When QA is completed, the reviewer must change the application status to “Preapproved” in ProTracts. Only applications marked as Preapproved at the end of a ranking period will be considered for approved status.
- 2) The AC or designee will select “Preapproved” applications for funding from Area Land Use subaccounts based on ranking score; then change the status to “Approved” and notify the DC.
- 3) The State Office Program Specialist will select “Preapproved” applications for funding from statewide fund accounts based on ranking score. The list of selected applications will be provided to the Area Office to change the status to “Approved”. The Area Office will then notify the DC of approval.
- 4) The DC must utilize the [Contract Approval Letter](#) to notify the participant that the application has been approved and give a deadline to collect signatures.

Reminder: Applications marked as “Approved” in ProTracts cannot be edited. If edits are necessary, the application status must be changed back to “pending” by the designated Area staff.

It is not acceptable to allow an incorrect application to become a contract with the intention of completing a modification after obligation to correct it.

Reminder: The Area Office employee that changes the application status to “Approved” cannot be the same individual who completes the second-level obligation review in Fund Manager. (See 512.3 B)

- 5) After an application has been moved to “Approved,” the DC must collect signatures from each participant receiving a payment share for the contract on the printed NRCS-CPA-1155, the “Approved” NRCS-CPA-1202, the CPC Appendix from ProTracts and the AERT summary. After all of the above documents are signed, the Applicant “signed” box in ProTracts must be checked.
- 6) The signed NRCS-CPA-1202 signature page must be scanned to the Area Conservationist, or designee, as notification/request for obligation of funds. The Area Program Specialist (APS) then completes the second-level obligation review in Fund Manager. The AC must then sign the contract in Protract which adds the electronic signature to the 1202 and notify

the DC that this step is complete. DCs must print a copy of the signed 1202 for the contract folder. Participants' manual signature will not be on this copy. After NRCS obligates and signs the contract, it is officially a contract and subject to the terms of the signed appendix.

- 7) The DC must utilize the [Contract Obligation Letter](#) to notify the participant that funds have been obligated to the contract and that contract implementation may begin. Use of the Contract Obligation Letter will be a critical obligation quality assurance item for 2012. The DC must provide copies of the following **signed** documents to all participants on the contract receiving payment shares with the obligation letter: NRCS-CPA-1155, NRCS-CPA-1202, CPC Appendix and the AERT summary sheet. Toolkit Plan Maps and any job sheets will also be provided at this time.

Application Evaluation and Ranking Tool (AERT)

The AERTs in ProTracts have been released for Environmental Quality Incentives Program (EQIP).

The two documents listed below will be used to determine whether a general EQIP Fiscal Year 2012 application will receive ranking points for the National and State-level questions in Indiana. Click on each for a link to the document on the Indiana SharePoint.

[FY12 EQIP National Questions Guidance](#)

[FY12 EQIP State Questions Guidance](#)

New in FY2012: A "FY12 Ranking Evaluation Tool" has been deployed to assist in application ranking. The tool should reduce the need for planners to add individual shape files to plan data to assess whether or not an applicant should receive points for conservation in priority areas. Detailed instructions on accessing and using this tool found in the linked document [FY12 Ranking Evaluation Instructions](#).

Please follow the guidance below when ranking applications in the AERT:

1. AERT Step 2 = *Select the Resource Concerns*

- a. Only those resource concerns currently existing on the site as identified during the planning site visit, **and** that will be treated to Quality Criteria levels through the program application will be marked in the AERT.
- b. The resource concerns identified in the AERT should be the same as those documented on the CPA-52 that was completed during the planning process (although the CPA-52 may have additional resource concerns that aren't included in the program application).

2. AERT Step 4 = *Match offered practices to the application resource concerns*

- a. The AERT will assess whether a practice has a potential negative, neutral, or positive impact on the identified resource concerns. Therefore, there should be no need to refer to the Conservation Practices Physical Effects (CPPE) in SmarTech during the ranking process (the CPPE values should have been referenced during the planning process if needed).
- b. To simplify the ranking process, check the boxes for each practice that is planned in the same land unit or impact area (i.e. – field, drainage area, etc.) that may influence the existing resource concern.

EXAMPLE: If a cropland field contains a Classic Gully, each practice planned on that may influence it (i.e. – if they're located within the drainage area of the gully) should be associated with the Gully Erosion resource concern. The AERT will assess each practice's impacts on the Gully behind-the-scenes. The same holds true for the other practices and existing resource concerns on the same land unit.

Completed AERT's must be printed signed and provided to participants as indicated above.

Cost Lists and Payment Rates

The following FY2012 costs lists for EQIP and WHIP are available on county servers at F:\FOTG\Section_I and should be copied to C:\Field_Office_Tech_Guide\Section_I for use in Toolkit. Please ensure partners who need this information also receive it. Cost lists for initiatives will be released as they are announced.

- EQIP_2012_CostList.xlsx
- EQIP_2012_HU_CostList.xlsx

DC must ensure that partners who need this information also receive it.

REMINDER: Due to the forthcoming national changes to WHIP, practice guidance, cost lists and AERT guidance is not being released at this time.

Fund Codes:

Indiana's [EQIP/WHIP fund codes](#) are posted on the Indiana SharePoint. Click the link to open the document. This document should be referenced to determine the correct fund codes and compensation lists to be used for applications. Land use fund codes are separated based on Indiana administrative areas, the remaining are statewide. The list shows the ProTracts fund code name, the user defined fund code name (short name), the ProTracts cost list file name, and the Toolkit cost list file name all by program.

NOTE: Due to the forthcoming national changes to WHIP, DCs must not assign a WHIP fund code at this time.

Determining Land Use Fund Codes:

EQIP is broken into land use funding pools, or fund codes. Applications that do not involve confined livestock will be processed based on the majority land use. The correct land use fund code will be determined by the predominant land use of the land to be under contract.

An application that is 51% or more of one land use type (cropland, pastureland, forestland, etc.) will be processed in that predominant land use fund code regardless of other land uses or the monetary value of practices in the contract. All applications within a land use fund code will compete against other applications in that fund code. Land use percentage will be determined by the DC in consultation with the applicant and will be supported by a map or aerial photo of the land proposed to be under contract.

Applications that address **any** confined livestock practices, such as but not limited to 313 or 359, will be included in the confined livestock fund codes regardless of any other land uses in the

application. For practices like 633 and 561 that could be used in either confined or non-confined situations, the planner will determine if the resource concern being addressed results directly from a confined livestock situation.

Exceptions to the above instructions are listed below in Other Fund Codes. DCs must also insure the livestock box is checked for livestock applications.

Statewide Fund Codes:

The following fund codes are available statewide: Conservation Activity Plans; Livestock Environmental Emergency; Historically Underserved (HU)-Socially Disadvantaged; HU-Beginning Farmer; HU-Limited Resource Producer; Specialty Crop, Orchard and Vineyards. Guidance for the following National Initiative Fund Codes are forthcoming: Organic Transition; Organic Certified; Seasonal High Tunnel; and On-Farm Energy. These fund codes do not use the land use designations. Applications that indicate eligibility for any of the above categories will be placed in that specific fund code regardless of land use, and will compete directly with other applicants in that fund code. A regular and HU cost list is available for each of these fund codes.

Allocation Process:

A state allocation formula is used to determine how funds are distributed to each fund code. The Organic, Seasonal High Tunnel, Energy and landscape initiatives receive separate allocations from NHQ and are not included in the state formula. The state formula is based on the percent of land use from 2006 National Land Cover Data (NLCD) within each administrative area; data collected through the State Resource Assessment and includes an adjustment based on contract completion rates in each administrative area.

The Confined Livestock allocation is based on the number of confined livestock operations in each area.

Livestock emergency allocations will be based on available reserve funds.

Funds will be allocated to each administrative area's fund codes. Applications will be selected in order of ranking score within each fund code within each administrative area **until funds are exhausted**. Funds must remain in each fund code until it is not possible to fund any more applications in that fund code.

Ranking Periods will be designated in the forthcoming 2012 program timeline guidance.

All funds MUST be obligated to contracts by COB May 4, 2012. Unobligated funds will be swept by the State Office Program Specialist after May 4, 2012.

Any questions regarding this bulletin or guidance document should be directed to Teresah Caire, Assistant State Conservationist-Farm Bill Programs at 317-290-3200, ext. 320, or Adam Heichelbech, EQIP/WHIP Specialist at 317-290-3200, ext. 357. Specific AERT and Payment Schedule questions should be directed to Shannon Zezula, State Resource Conservationist at 317-290-3200, ext. 388 or Jennifer Chen, Resource Conservationist at 317-290-3200, ext. 347.

/s/

JANE E. HARDISTY
State Conservationist