

# Natural Resources Conservation Service

## Farm and Ranch Lands Protection Program

### Steps for Funded Sponsors

#### General information

**Agreement:** Sign the FRPP Cooperative Agreement. The Agreement must be signed before funds can be obligated. Please sign the agreement as soon as possible and return to NRCS. Contact one of the FRPP Coordinators if you have questions or anticipate any delay in signing the agreement.

**Funded parcels:** FRPP funds can be used for easement purchases on any of the parcels listed on Attachment A of the Cooperative Agreement. Changes or additions to this list can be made with NRCS approval. FRPP funds can be used to pay for up to 50% of the appraised fair market value of the easement. FRPP funds can not be used to pay for legal or administrative expenses.

**Payment of funds:** Easements should be closed, and the easement deed conveyed in its entirety within 2 years from the date of the Cooperative Agreement signature. Reimbursement will be provided after closing via electronic funds transfer. Funds can be provided at closing through the transfer agent's escrow account. Sponsoring organization payments to landowners can be paid in a lump sum, or installment payments over a period not to exceed 5 years. FRPP payments will be provided only on a reimbursable basis for installment payments. Contact the FRPP Coordinators for details.

**News releases:** Coordinate all news releases on FRPP funded farms with the Natural Resources Conservation Service (Cooperative Agreement VII B 15). Credit NRCS as the supporting agency and funding source in all printed materials, news releases, activities, or events resulting from the easement acquisition(s).

**Assistance:** Please work closely with the Indiana FRPP Coordinators during all phases of easement acquisition to ensure that FRPP requirements are met, and that there are no problems or delays in the release of obligated funds. Contact the FRPP Coordinators if you have any questions on these processes.

Indiana FRPP Coordinators contact information:

Jim Dunaway, Soil Conservationist  
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Dwayne Howard, Assistant State  
Conservationist –Programs  
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#### Before closing:

**Fund transfer:** Reimbursement by electronic funds transfer takes 1 or 2 days. Sign up for EFT through the USDA "Vendor Express" program. A Vendor Express application packet can be obtained by calling 1-800-421-0323, or on the internet at [www.nfc.usda.gov/dcia/eftweb.htm](http://www.nfc.usda.gov/dcia/eftweb.htm).

**Escrow closing:** If you would like FRPP funds to be paid at closing instead of on a reimbursable basis, notify the FRPP Coordinator at least 60 days prior to closing. The FRPP Coordinator will provide escrow closing instructions for the program and the transfer agent (Cooperative Agreement V A).

**Installment payments:** If you plan to pay for the easement using installment payments, contact the FRPP Coordinator to ensure that all FRPP requirements are met (Cooperative Agreement V B).

**Appraisal:** Provide a complete copy of the appraisal to the FRPP Coordinator. The appraisal must:

- be completed by a state certified or licensed general appraiser
- meet Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) or Uniform Standards of Professional Appraisal Practices (USPAP) standards
- use a "before and after" method to estimate easement value
- include a disclosure statement by the appraiser
- be less than one year old at the time of easement closing.

**Title review:** Provide a complete copy of the preliminary title review report to the FRPP Coordinator. Ensure that all encumbrances on the title (*mortgages, farming leases, rights of access, etc*) are subordinated to the easement, and subordination clauses are included in the easement (Cooperative Agreement VII B 9).

**Easement review:** Send a copy of the complete draft easement (*MS Word* or plain text email attachment is preferred) to the FRPP Coordinator for review. Legal staff at the Office of General Counsel will review the easement to ensure it meets requirements of the Cooperative Agreement and the FRPP. NRCS will approve the easement for FRPP funding, or recommend revisions. After approval, any revisions to the easement will also need to be reviewed by the FRPP Coordinator. The Cooperative Agreement lists some easement requirements. Contact the FRPP Coordinator for details.

**On-site inspection:** Contact the FRPP Coordinator to arrange for an on-site inspection of the proposed easement area. An NRCS representative will review any inspection information you have already collected and walk the easement area to observe land use, collect information on environmental concerns or hazards, and identify any other potential concerns that should be addressed before easement closing.

**HEL & wetland compliance:** Ask the Grantor to complete and sign form AD-1026 (*Highly Erodible Land and Wetland Certification*) at the Farm Service Agency office in the local USDA Service Center, and provide a copy to the FRPP Coordinator. A current, signed AD-1026, covering all fields owned or managed by the easement Grantor, must be received before FRPP funds can be released (Cooperative Agreement VII A 3).

**Conservation compliance:** Ensure that the required conservation planning and compliance paragraphs are included in the easement (Cooperative Agreement VI A 4).

**Conservation plan:** If the easement area includes Highly Erodible lands, ensure that the Grantor has applied, or is prepared to apply, a current conservation plan, developed using the standards and specifications of the NRCS Field Office Technical Guide. The plan should cover all HEL lands within the easement area, and be prepared, revised, or reviewed within the proceeding 5 years. Provide a copy of the plan to the FRPP Coordinator (Cooperative Agreement VII A 3, VII B 6).

**USDA contingent right:** Ensure that the USDA "Contingent Right" clause is included in the easement (Cooperative Agreement VI A 6, VII B 5).

**USDA easement acceptance:** Ensure that the USDA "*Acceptance of Property Interest*" is included in the easement as a separate, stand-alone page. After easement language is finalized and closing is scheduled, NRCS will provide 5 original signed and notarized acceptance pages for inclusion in the easement. Page numbers can be added when the final easement is assembled (Cooperative Agreement VI A 7). This acceptance must be included in the easement before FRPP funds can be released.

**Deed restrictions:** Ensure that none of the proposed easement area is enrolled in the permanent easement option of the USDA Conservation Reserve Enhancement Program, Wetland Reserve Program, or Grassland Reserve Program. Ensure that none of the proposed easement area is subject to other deed restrictions that permanently restrict development.

**Adjusted Gross Income:** Ask the Grantor to complete and sign form CCC-526 (*Average Adjusted Gross Income Certification*) at the Farm Service Agency office in the local USDA Service Center, and provide a copy to the FRPP Coordinator. The signed CCC-526 must be received before FRPP funds can be released. If average AGI for the 3 years immediately preceding the proposed date of easement closing exceeds \$2.5 million, the easement may not be eligible for FRPP reimbursement. Contact your local FSA office for details on AGI determinations.

**Landowner donation:** If you are counting a landowner donation as part of the sponsor entity match, provide a completed, signed copy of IRS form 8283 (Noncash Charitable Contributions) to the FRPP Coordinator (Cooperative Agreement V A, VII A 3). Form 8283 should be signed by the Donor (Part II), the Appraiser (Part III), and the Donee (Part IV). The amount in column (g) should agree with the Settlement Statement from closing. If the amount in column (g), or the amount paid for the easement as shown on the settlement statement, is less than 75% of the Appraised fair market value (column c), FRPP reimbursement may be less than 50% of the easement value.

**Conflict of interest:** Ensure that the Grantor is not an employee, board member, or immediate family member of an employee or board member of the Grantee.

### **After closing:**

**Title insurance:** Provide a copy of the ALTA title insurance policy, for the full amount of the easement payment, to the FRPP Coordinator. The title insurance company must be approved by the State Insurance Commissioner (Cooperative Agreement VII B 9).

**Baseline documentation:** Provide a complete copy of the baseline documentation, including a copy of the recorded easement document to the FRPP Coordinator.

**Request FRPP payment:** Ensure that all responsibilities and requirements listed in the Cooperative Agreement are met and all actions above are completed, then submit:

- a copy of the *settlement statement* from closing
- proof that the easement deed is recorded
- form SF-270 (request for reimbursement)

**Monitoring:** Monitor the easement annually, and provide annual monitoring reports to the FRPP Coordinator (Cooperative Agreement VII B 8)

**Enforcement:** Ensure that your program has a plan and the capacity to enforce the easement terms, if necessary (Cooperative Agreement VII B 14).