

ASCS
HANDBOOK

Stewardship Incentive Program

For State and County ASCS Offices,
KCMO, State Foresters, and Service Foresters



SHORT REFERENCE

1-SIP
(Revision 2)

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service
P.O. Box 2415
Washington, DC 20013-2415

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Stewardship Incentive Program
1-SIP (Revision 2)**

Amendment 9

Approved by: Deputy Administrator, Farm Programs

This amendment was signed by Larry Mitchell.

Amendment Transmittal

A

**Reasons for
Amendment**

This handbook has been amended to update references to ASCS and DASCO.

Paragraphs 3 and 11 have been amended to remove references to ACP.

Paragraph 55 has been amended to remove references to SIP-245 with AD-245.

Paragraph 58 has been amended to update recording ledger adjustments.

Paragraph 110 has been amended to update obtaining a waiver.

Exhibit 46 has been amended to update the technical practice codes.

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Part 1 General Information**1 Overview**

A**Handbook
Purpose**

--This handbook contains SIP procedures for State and County FSA Offices to-- follow to provide the following administrative services to FS:

- developing State and county programs
- tracking FS program funds allocated to States and counties
- accepting and processing applications for SIP C/S
- managing AD-862's, progress reports, and ledger reports
- arranging for FS payments to be disbursed.

This handbook also contains SIP procedures for State Foresters, Service Foresters, and PRM's to follow when:

- determining landowner eligibility
- making needed and practicable determinations on practice requests
- approving applications for SIP C/S
- certifying practice completion
- computing total practice C/S payment
- managing payment limitation
- resolving reviews
- handling refunds, claims, overdisbursements, and violations
- managing compliance checks.

--The Director, Cooperative Forestry and DAFP have agreed to use the-- provisions in this handbook to implement SIP. Program operations in every State and county must follow the processes outlined in this handbook.

Continued on the next page

1 Overview (Continued)

B

Background

--Because SIP is an FS program, FSA’s role is limited to the general support-- functions listed in subparagraph A. Most program authority and general management responsibility has been delegated by FS to State Foresters. In all States, State Foresters may delegate some of their responsibility to Service Foresters.

This handbook outlines:

- *--procedures that FSA shall follow to support SIP--*
 - the directives and procedures that State Foresters and Service Foresters shall follow when establishing local program provisions and making policy determinations for individual applications.
-

C

In This Part

The following sections are included in this part.

Section	Title
1	General Provisions
2	Administration and Responsibilities

Section 1 General Provisions

2 Overview

A

Introduction

This section provides the following information:

- sources of authority
 - objectives
 - uniform operating procedures
 - related handbooks
 - relief action.
-

3 Authority, Program Objectives, and Access to Information

A

Sources of Authority

The Food, Agriculture, Conservation, and Trade Act of 1990 authorizes FS and State Foresters to implement SIP.

The Administrator, ASCS and the Chief, FS have entered into an interagency agreement to have ASCS provide administrative assistance to FS to implement SIP. See Exhibit 4 for a copy of the agreement.

B

SIP Objectives

SIP is a C/S program. The objectives of SIP are as follows:

- establishing, managing, maintaining, and restoring forests for:
 - shelterbelts
 - windbreaks
 - aesthetic quality
 - other conservation purposes
 - sustaining growth and management of forests for timber production
 - protecting, restoring, and using forest wetlands
 - enhancing management and maintenance of native vegetation on lands vital to water quality
 - growing and managing trees for energy conservation
 - managing and maintaining fish and wildlife habitat and outdoor recreational opportunities.
-

Continued on the next page

3 Authority, Program Objectives, and Access to Information (Continued)

C

SIP Funds

SIP funds are intended to be used in addition to those funds that have been traditionally provided for forestry under * * * other Federal C/S programs.

Note: Landowners will determine which program or programs they want to request.

D

**Information
Access**

Authorized representatives of the Secretary of Agriculture, including FS, Cooperative Forestry and Fiscal and Public Safety, and State Foresters shall have *--access to all SIP records maintained by State and County FSA Offices.--*

4 Miscellaneous Information

A

SIP Availability

Landowners who own land:

- in more than 1 State or county where the land has been reconstituted as 1 farm to be administered by 1 County Office shall request cost-sharing in the County Office that administers the farm records
- in more than 1 State or county and the land has not been reconstituted as 1 farm shall request cost-sharing in the County Office that administers the farm records for the specific land that the request is for
- *--that has never had any FSA history must request cost-sharing at the County Office where the land is located.

Note: Participating County FSA Offices shall accept SIP applications--* regardless of whether an allocation has been provided. See subparagraph 53 A.

B

LTA's and Pooling Agreements

LTA's and pooling agreements are **not** authorized under SIP.

C

AD-1026 Requirement

AD-1026 is not required for SIP practice eligibility.

D

Internal Review

*--FSA shall **not** conduct County FSA Office internal reviews for SIP.--*

Continued on the next page

4 Miscellaneous Information (Continued)

E

Low-Income Provisions

Special provisions for low-income landowners are not available.

F

Standard Sequence

County ASCS Offices and Service Foresters shall follow the step-by-step instructions in paragraph 147 from the time the applicant requests cost-sharing until disbursement records are transmitted to the State ASCS Office.

G

Work Measurement Reporting

County ASCS Offices shall record all work related to SIP according to 12-AO (Rev. 10), Part 5, Section 2.

5 Handbooks

A
Related
Handbooks

This table lists handbooks relating to SIP.

Handbook	Purpose
1-ACP	Development and general provisions
12-AO *--(Rev. 10)--*	County ASCS Office work measurement and workload reporting instructions
1-AS	Directives management
25-AS	Records management
1-CM	Common management provisions
2-CM	Common farm and program provisions
1-CONSV	Automation instructions
62-FI	Withholding tax for nonresident aliens
63-FI	Completion of SIP-36 using instructions for CCC-36
22-PM	County ASCS Office personnel management procedure for a conflict of interest with official duties
DM-9500-1	CRES procedure

6 Relief Actions

**A
Procedure
Waiver**

No policies or procedures in this handbook may be waived unless approved in writing by the Director, Cooperative Forestry.

If procedural changes are made affecting the administrative service provided by FSA, additional written approval is required from DAFP.

**B
SIP Forms**

Only those national forms that are referenced in this handbook may be used by FSA and State Forestry agencies for SIP.

Use AD-245 for SIP C/S applications. Other forms for SIP may be developed and used if approved by the Director, Cooperative Forestry.

7-17 (Reserved)

Section 2 Administration and Responsibilities

18 SIP Administration

A

National Level

SIP is administered at the national level by FS.

B

State Level

SIP is administered at the State level by the State Forester.

The State Forester will consult with SSCC, of which ASCS is a member, when establishing and managing the State and county SIP's.

C

County Level

SIP is administered at the county level by Service Foresters.

19 Agency Responsibilities

A
Primary
Responsibility

FS, through State Foresters, shall administer SIP.

B
FS
Responsibilities

FS is responsible for:

- determining the amount of SIP C/S funds allocated to each State
- establishing the list of program practices for State Foresters to select from when establishing the State program
- establishing the national-level minimum acreage ownership for eligibility

Note: FS requires that State Foresters set the minimum contiguous acreage ownership eligibility criteria at no more than 25 acres.

- establishing the maximum period of time that Service Foresters can defer eligible applications

Notes: FS requires that Service Foresters either approve or disapprove all SIP applications within the next 2 application batching periods.

Service Foresters are given the authority to determine whether unfunded eligible applications should be deferred.

Continued on the next page

19 Agency Responsibilities (Continued)

B
FS
Responsibilities
(Continued)

- establishing the maximum practice expiration period for the completion of all SIP practices for approved applicants

Note: FS has established a national maximum expiration period of 18 months after the date of applicant approval, unless the State Forester provides a waiver of up to 6 months for individual applications. Whenever possible, Service Foresters should require practices to be completed during FY in which the funds were made available.

- monitoring and evaluating State program administration
 - billing participants when refunds are due FS
 - making Prompt Payment Act payments.
-

C
State Forester
Responsibilities

State Foresters are responsible for:

- determining program practices to be offered in the State, or by county
- determining the level of C/S to be provided for each program practice offered in the State or county
- determining which technical practices and their specifications shall be used for each program practice offered in the State or county

Note: State Foresters can only choose among those technical practices offered for each SIP practice listed in DM-9500-1.

Continued on the next page

19 Agency Responsibilities (Continued)

C

State Forester Responsibilities (Continued)

- determining how C/S funds will be allocated to counties within the State
- Note:** ASCS, if requested, shall collect and provide C/S demand statistics by county to State Foresters to help determine how funds should be allocated.
- resolving discrepancies between County ASCS Offices and Service Foresters regarding the correct amount of funds available for commitment in a county
 - determining which agency or private entity will have technical responsibility as PRM for each program practice offered in the State
- Note:** Technical responsibility assignments shall be made at the program practice level and **not** at the technical practice level.
- determining LFSP requirements
 - determining which components will be offered for each program practice made available
 - determining which practices will be paid using flat rates
 - determining which practices will be paid using percent of actual cost with NTE rates
 - determining the duration of application batching periods
- Note:** State Foresters shall consult with ASCS when setting application batching periods.

Continued on the next page

19 Agency Responsibilities (Continued)

C

State Forester Responsibilities (Continued)

- determining the minimum contiguous acreage eligibility criteria within FS limits
 - determining which employees of the State Foresters will be delegated program authority as Service Foresters
 - determining the prioritization guidelines that Service Foresters shall use as the basis for approving eligible applications
 - *--handling reviews--*
 - designating PRM's
 - training PRM's and monitoring their performance to ensure that practice standards and specifications are being uniformly and consistently applied
 - establishing the frequency and percentage of compliance spot checks.
-

D

State Forester Responsibilities That May Be Delegated to Service Foresters

State Foresters may designate 1 or more Service Foresters to serve as the county contact person for each County ASCS Office and for the landowners within each county. If a contact person is not designated for a County ASCS Office, the State Forester becomes the county contact point for that county.

State Forester authorities that may be delegated to 1 or more Service Foresters include:

- determining the eligibility of individual landowners for SIP
 - determining which eligible applications will be approved based on the priorities set by the State Forester and the C/S approval amount
-

Continued on the next page

19 Agency Responsibilities (Continued)

D

State Forester Responsibilities That May Be Delegated to Service Foresters (Continued)

- determining which eligible applications that are not approved based on the priorities set by the State Forester, but are eligible, should be deferred for possible future approval
- determining the amount of total C/S earned for individual participants
- the approval of LFSP's
- controlling payment limitation
- conducting compliance checks and initiating refunds
- advising applicants of program provisions
- signing SIP forms and correspondence for the State Forester.

Notes: State Foresters may require that Service Foresters consult with State or local groups or other individuals when handling the responsibilities this subparagraph.

State Foresters will either designate an individual Service Forester to serve as the county contact point for each County *--FSA Office and for landowners, or they will be considered the--* Service Forester themselves.

The letters in Exhibits 8, 9, 10, and 11 refer to "the State Forester's local office". This is the same as the Service Forester's office.

Continued on the next page

19 Agency Responsibilities (Continued)

**E
State Forester
Responsibilities
That May Be
Delegated to
PRM's**

The following State Forester authorities may be delegated to 1 or more PRM's:

- preparing LFSP's
- determining whether requested practices are needed and practical
- establishing site specific practice specifications
- certifying the completion of practices by signing AD-862
- conducting compliance checks.

Notes: See the definition of PRM in Exhibit 2.

--PRM's are not authorized to sign AD-245's.--

**F
SSCC Members**

SSCC is chaired by the State Forester or equivalent State official, or designee thereof, and must include to the extent practicable the following members:

- *--FS, FSA, NRCS, and CSREES--*
 - local government
 - consulting foresters
 - environmental organizations
 - forest products industry
 - forest landowners
 - land-trust organizations, if applicable in the State
 - conservation organizations
 - State fish and wildlife agencies
 - any other individuals determined appropriate by the Secretary.
-

**G
SSCC Terms**

Members shall serve 3-year terms.

Existing State forestry committees may be used to complement, formulate, or replace SSCC to avoid duplication of efforts if existing committees are made up of members similar to those listed in subparagraph F.

Continued on the next page

19 Agency Responsibilities (Continued)

H
SSCC
Responsibilities

SSCC shall advise State Forester of the following:

- annually review, evaluate, and update the State plan
- hold an annual meeting to review, evaluate, and make recommendations for the State SIP, which includes reviewing:
 - the State plan
 - C/S levels
 - practice components for which C/S is authorized
 - other SIP policies.

Note: Special practices may be requested if needed to solve significant and unique forest management opportunities in the State.

I
***--FSA**
Responsibilities

CED, or designee, is responsible for:

- providing program information to landowners and others
 - taking and processing applications using AD-245--*
 - managing the Sequential Ledger Entry Report to track county allocations
 - determining net payment amounts
 - arranging for payments to be disbursed
 - processing CRES data
 - maintaining permanent files.
-

19 Agency Responsibilities (Continued)

J

***--NRCS
Responsibilities**

NRCS is responsible for providing:--*

- program information to landowners and others
 - technical assistance if designated as PRM for those program practices agreed to at the State level by the State Forester.
-

K

***--CSREES
Responsibility**

CSREES is responsible for providing program information to landowners--* and others.

20-30 (Reserved)

Part 2 State and County SIP Establishment

31 Overview

A

Introduction

This part covers:

- State and county SIP specifications
 - C/S rates
 - State SIP handbook procedure
 - technical and approval responsibilities.
-

32 SIP Establishment

A

State Program Establishment

The State Forester shall establish the State SIP and outline its requirements in the State SIP plan. The State SIP plan shall be reviewed annually and approved by FS and shall contain State program goals and objectives and all the determinations required in subparagraph 19 C.

B

County Program Establishment

The State Forester shall establish individual county SIP's, where needed, and outline their requirements in 1 or both of the following:

- the State SIP plan
 - individual county requirements provided directly to County ASCS Offices.
-

C

STC, COC, SCRG, and CCRG Involvement

*--STC's, COC's, SCRG's, and CCRG's (see Exhibit 1 to reference abbreviations) do **not** have any program establishment--* responsibilities, program review responsibilities, or ongoing program policy authority under SIP.

Note: STC and COC shall monitor ASCS staff involvement in SIP-related activities.

33 Preparing ASCS State SIP Procedure

A

Preparation

State ASCS Offices shall prepare State SIP procedure using either of the following:

- a State supplement of this handbook using colored slip sheets
 - a State-level version of this handbook.
-

B

ASCS State SIP Procedure Requirements

ASCS State SIP procedure shall:

- outline in detail the State SIP as established by the State Forester and documented in the State SIP plan
- outline in detail any county SIP information established by the State Forester and documented in the State SIP plan

Note: Any county SIP provisions that are provided directly to the County ASCS Office by the Service Forester, such as the flat rates for components, do not need to be documented in State SIP procedure. Maintain these items in a SIP file in the County ASCS Office.

- be amended or revised by the State ASCS Office to reflect changes in State- or county-level programs as:
 - required by the State Forester
 - documented in the State SIP plan
- incorporate other provisions deemed necessary by the State ASCS Office and the State Forester.

***--Note:** Do not send copies of State amendments to the National ASCS Office.--*

Continued on the next page

33 Preparing ASCS State SIP Procedure (Continued)

C

**Submitting State
SIP Procedure**

State ASCS Offices shall obtain State Forester approval of the ASCS State SIP procedure before releasing it to County ASCS Offices.

D

**Printing and
Distribution**

Copies of national SIP procedure will be distributed directly to State Foresters by FS.

State ASCS Offices shall distribute copies of all State SIP procedure to the State Forester. The procedure shall be:

- prepared using requirements in 1-AS
 - printed locally.
-

E

**Effective Date
for State
Amendments**

An amendment to State SIP procedure that changes program specifications must specify the effective date. ASCS shall use the date established by the State Forester when specifying the effective date for changes.

- Effective dates may not be retroactive.
 - Any revised specifications apply to all approvals issued on and after the effective date.
-

34 National SIP Practices and Specifications

**A
Eligible SIP
Practices**

--This table lists the 9 national practices that are eligible for C/S--
under SIP. See Exhibit 14 for more information about SIP practices.

Practice No.	Name of Practice
SIP1	Landowner Forest Stewardship Plan Development
SIP2	Reforestation and Afforestation
SIP3	Forest Improvement
SIP4	Agroforestry Establishment, Maintenance, and Renovation
SIP5	Soil and Water Protection and Improvement
SIP6	Riparian and Wetland Protection and Improvement
SIP7	Fisheries Habitat Enhancement
SIP8	Wildlife Habitat Enhancement
SIP9	Forest Recreation Enhancement
* * *	* * *

Continued on the next page

34 National SIP Practices and Specifications (Continued)

B

Practice Specifications

The State Forester has the authority to determine the specifications for each program practice allowed in the State within national guidelines. These specifications must not be less restrictive than the national-level practice descriptions listed in Exhibit 14.

The State Forester has the authority to determine the specifications for all technical practices that make up each program practice.

35 Establishing C/S Levels and Rates

A

National Policy

C/S levels of up to 75 percent of total cost are authorized under SIP. State Foresters shall establish C/S levels for each SIP practice offered in each county.

B

**Establishing
Components and
Payment
Methods**

SIP payments shall be based on either of the following for component costs:

- flat rates
- the percentage of actual costs with NTE rate limits.

State Foresters are responsible for establishing and maintaining components and their flat rates or NTE rates.

Note: This is normally delegated to Service Foresters.

Flat rates shall be based on the average cost of eligible materials, services, and labor necessary to perform the practice.

Note: Consider current cost data from applications for payment, quotations or advertised prices from dealers and contractors, and other available sources. Sales tax may be included in the cost of eligible items for cost-sharing.

***--Note:** Where a consulting forester is attending an SSCC meeting when standard flat rates are being discussed, the individual should be excused from that portion of the meeting and the action documented in the meeting minutes.--*

NTE rates shall be based on:

- reasonable estimates of the average cost incurred to implement the component
 - the C/S level established for each SIP practice in the county.
-

Continued on the next page

35 Establishing C/S Levels and Rates (Continued)

C

Ineligible Costs

The following expenditures are not eligible for C/S:

- chemical control of insects, disease, and nematodes
 - outside technical assistance fees, engineering charges (does not include forest road design and layout), and permit fees
 - providing land or the right to use water
 - costs of supplemental requirements, such as protection from fire or grazing and similar SIP provisions for which no C/S is authorized
 - loss or reduction in revenue from the land
 - material on hand without invoice
 - other costs of land use
 - donated labor or materials.
-

D

Loading Components and C/S Rates and Levels

--County FSA Offices shall:--

- load SIP **component codes**, their **descriptions**, their **units**, and their **flat rates** or **NTE rates** on the County Eligibility Table in the County Conservation System according to 1-CONSV, Part 1 when provided by the Service Forester

Note: The "C/S level" field on the component portion of the table should be entered for all SIP practice components when the percent of total cost will be used to calculate payments.

- establish codes for the components provided to them by the Service Forester

*--**Note:** State FSA Offices may require County FSA Offices to use component codes that meet State FSA Office standard requirements.--*

Continued on the next page

35 Establishing C/S Levels and Rates (Continued)

**D
Loading
Components and
C/S Rates and
Levels
(Continued)**

- provide copies of their current County Eligibility List to Service Foresters when first developed and every time changes are made to help them maintain component information for SIP
 - **not** accept applications for those SIP practices that have **not** had practice components and their C/S rates established by the Service Forester.
-

**E
Effective Date
for C/S Rates**

--C/S rate changes provided to FSA by the Service Forester must be-- accompanied by an effective date. Effective dates may not be retroactive.

Rates in effect before the effective date of an amendment remain in effect for approvals issued before the effective date.

--Service Foresters and County FSA Offices shall use the revised rates for-- all approvals issued on or after the effective date.

**F
Rate
Management**

Service Foresters shall:

- review the flat rates and NTE rates at least annually and adjust, if necessary
 - keep cost data on file
 - **not** increase or reduce rates based on isolated changes in cost during FY
 - revise rates only when the average cost of performance changes substantially or the rate becomes materially greater than or lesser than the maximum authorized State or national cost-sharing level.
-

36 Technical and Approval Responsibilities

**A
Technical
Responsibilities**

Only those PRM's designated by the State Forester will have technical responsibility for SIP practices.

- The State Forester may assign technical responsibility for each SIP practice *--to NRCS, another USDA Agency, a State agency, or private consultants.--*
 - If technical responsibility is not assigned by the State Forester, the Service Forester who is the State Forester's local representative by default shall have technical responsibility for all SIP practices offered in the State.
 - When someone other than the Service Forester is assigned as PRM for technical responsibilities for a given practice, the Service Forester shall work directly with that PRM for that practice.
-

**B
Approval
Responsibilities**

--Only Service Foresters have the authority to approve AD-245 applications-- for C/S and approve total C/S earned amounts.

**C
Obtaining
Permits**

For those SIP practices that involve stream crossings, in-stream construction, dams, greentree reservoirs, stand conversions, or silvicultural practices for nontimber purposes in wetlands may need a permit from the Army Corps of Engineers, the State Water Resources authority, or both.

37 Coordinating ASCS and Service Forester Activities

**A
Coordination**

CED's and Service Foresters should jointly analyze county SIP operations and work closely to effectively implement their respective responsibilities.

Proper program implementation and management should seek to avoid:

- undue delay in:
 - reviewing and approving requests
 - making needs determinations that prevent or discourage applicants from performing practices
- misunderstandings about:
 - specifications and requirements governing C/S approvals
 - each agency's responsibilities because of failure to coordinate activities.

Note: Eliminate needless duplication of work.

38 Transfer of Technical and Administrative Funds Between ASCS and FS

A

**Interagency
Transfers**

FS will, at the national level, transfer administrative assistance funds to ASCS, according to the interagency agreement.

39-50 (Reserved)

Part 3 Overall Management of SIP Funds Allocated to States and Counties

51 Overview

A

Introduction

This part includes procedures for:

- SIP appropriation and State allocations
 - county allocations, State reserves, and allocation documentation
 - expenditures limited to authorized funds
 - allocation control for SIP
 - the county allocation control ledger
 - recording allocations
 - recording ledger adjustments
 - refunds.
-

52 SIP Appropriation and State Allocations

A**SIP Funds**

SIP funds are appropriated directly to FS and:

- are available until expended
 - are available for payment when an approved practice or component has
--been certified by the Service Forester on AD-245--
 - may only be transferred between States by FS, through CEPD, using SIP-357
 - have a separate maximum payment limitation of \$10,000 per landowner; see paragraph 490.
-

B**State Allocations**

Funds are allocated to SED by the Director, Cooperative Forestry, through CEPD and BUD.

- *--State FSA Offices will be notified by SIP-357 of any increase or--*
decrease in the State SIP allocation through CEPD.
- State allocations are reduced at the beginning of each FY by the amount of earnings, as recorded on the September 30 Progress Report.
- After each State completes its annual reconciliation on ACP-259B with KCMO, a revised SIP-357 will be issued if changes are necessary. See 1-CONSV.

Before completion of FY-end reconciliation, FS will prepare SIP-357's reflecting the earnings as recorded on the September 30 Monthly Progress Report.

--After FS receives the reconciled earnings and obligations from KCMO, revised SIP-357's will be issued unless reconciled amounts are the same as reflected on the original SIP-357.--

53 County Allocations, State Reserves, and Allocation Documentation

A

County Allocations

State ASCS Offices shall allocate SIP funds to counties as directed in writing by the State Forester.

B

State Reserves

State Foresters may require that State reserves be held at State ASCS Offices. The entire State allocation may be held at the State level and released to counties based on C/S demand as necessary.

Note: State Foresters and Service Foresters should be reminded that applications can be accepted by participating County ASCS Offices before funds are allocated to counties, but applications will not be released to Service Foresters for approval until County ASCS Offices have:

- received allocations of zero or more dollars

Note: See subparagraph 147 B for procedures to use when allocations of zero dollars are provided.

- recorded the allocations into the ASCS County Conservation System according to 1-CONSV.
-

C

Allocation Documentation

Copies of all SIP-357's sent to the State ASCS Office and State ASCS Office issued county-level allocation documents shall be provided to the State Forester by the State ASCS Office as soon as they are available.

54 Expenditures Limited to Authorized Funds

A

Control of Funds

State Foresters and Service Foresters have no authority to overobligate SIP funds. Outstanding obligations or expenditures may not exceed State or county allocations. Service Foresters shall not approve applications unless funds are available as documented on the Sequential Ledger Entry Report. ASCS shall maintain the ledgers to help control funds.

State Foresters have the responsibility to resolve discrepancies between County ASCS Offices and Service Foresters regarding the correct amount of funds available for commitment in a county.

***--55 FSA Allocation Control for SIP**

**A
Sequential
Ledger Entry
Report**

All ledger entries shall be recorded on ledger screens and AD-245. See--*
1-CONSV.

- Use the automated ledger to maintain the allocation.
 - Enter numbers on the ledger in whole dollars.
 - See 1-CONSV for:
 - maintaining and printing ledger reports
 - examples of Sequential Ledger Entry Reports.
 - *--Accumulate manual AD-245's and allocations when the automated system is inoperable and load the manual AD-245's in the system when it is back in--*
operation.
-

--56 FSA County Allocation Control Ledger--

**A
Print and
Maintain
Ledgers**

The system will maintain FY allocation control ledgers from the entries made in the County Conservation System.

- Print the Sequential Ledger Entry Report according to 1-CONSV on the last workday of the month.
 - Keep the ledger report in a file.
 - Dispose of the previous month's report and replace it with the current month's report on the last workday of each month.
 - The ledger generated at the end of FY, according to 1-CONSV must be kept in a permanent file according to 25-AS.
 - Print the Sequential Ledger Entry Report at the end of each application batching period as instructed in subparagraph 163 D.
 - See 1-CONSV for closing out FY activity and rollover procedure.
-

--57 Recording Allocations by FSA--

A

Method

Record allocations to the automated ledger according to 1-CONSV.

***--58 FSA Recording of Ledger Adjustments**

A

**Required State
FSA Office
Approval**

County FSA Offices are **required** to contact State FSA Offices for approval to make ledger adjustments **before** adjustments are made. See 1-CONSV.

Ledger adjustments for SIP should occur only rarely. If an adjustment is needed, the State FSA Office shall contact CEPD before authorizing the County FSA --* Office to make the adjustment.

59 Refund Policy and Procedure

**A
Refund Policy**

All refund documentation will be handled by Service Foresters or the State Forester. FSA will **not** establish any claims or process any refunds for SIP.

FSA shall **not** enter any refunded amounts on the county ledger.--*

State Foresters may require that Service Foresters obtain the State Forester's concurrence when making determinations regarding program violations for which refunds are required.

Service Foresters are required to initiate the SIP refund process when:

- overpayments have occurred for any reason
- participants who have received partial payments fail to complete remaining components as approved on AD-245, page 1--*
- participants fail to maintain completed practices for the entire practice lifespan
- participants sell, convey, or otherwise lose control of land upon which there is a continuing obligation to maintain a practice, and the new landowner does not agree to assume responsibility for maintaining the practice
- State Foresters determine program violations or abuses have occurred that require refunds.

Continued on the next page

59 Refund Policy and Procedure (Continued)

**B
Refund
Procedure**

When initiating the SIP refund process, Service Foresters shall:

- document the determination of overpayment, violation, or abuse
- determine the refund balance due FS
- *--notify landowner that a refund is due and of the amount to be refunded, and:
 - if the landowner is approved for a second SIP practice, allow the landowner the option of having the refund withheld from a future payment through fee offset
 - if the landowner is **not** approved for a second SIP practice, advise the landowner that the landowner will receive a bill from FS.

If the landowner will not have the amount to be refunded withheld from a future payment, the Service Forester shall notify FS of landowner name, mailing address, landowner ID number (AD-245 control number (FY and No.)) from AD-245, page 1, reason for refund, and refund amount.

Note: Send information to:

Fiscal and Public Safety
USDA, FS
P.O. Box 96090
Washington, DC 20090-6090.

If the landowner elects fee offset, the Service Forester shall:

- notify FSA that the landowner has elected fee offset and is approved for a second SIP practice (including the county and control number)
- notify FSA to deduct refund amount from the second SIP practice payment due the landowner

Note: If the landowner elects fee offset, FS shall not be notified of the amount to be refunded.--*

60-84 (Reserved)

Part 4 SIP Eligibility

85 Overview

**A
In This Part**

The following sections are included in this part.

Section	Title
1	Landowner Eligibility
2	Land and Practice Eligibility

86-96 (Reserved)

Section 1 Landowner Eligibility

97 General Landowner Eligibility Information

**A
Eligible
Landowners**

The following **are** eligible for SIP if they own NIPF:

- individuals, including foreign owners
- joint owners
- American Indians and Alaska Natives
- groups and associations
- corporations without publicly traded stock
- other private legal entities
- lessees of government land in Hawaii, Guam, and the Northern Mariana Islands who have sufficient land rights to carry out practice maintenance requirements.

Continued on the next page

97 General Landowner Eligibility Information (Continued)

B Ineligible Landowners

The following are **not** eligible for SIP:

- Federal, State, or local government agencies or entities
- corporations with publicly traded stock
- public utility service companies
- entities that are principally engaged in the primary processing of forest products, that is, landowners which derive more than 50 percent of their gross income from said processing, are ineligible to participate in those practices related to their business as described in the practice descriptions (see Exhibit 14); these may include, but are not limited to, owners of:
 - saw mills
 - pulp mills
 - paper mills
 - plywood plants
- entities * * * engaged in the provision of commercial campgrounds, *--recreation areas, hunting preserves, or commercial fisheries--* are ineligible to participate in those practices related to their business as described in the practice descriptions (see Exhibit 14); these may include, but are not limited to, owners of:
 - commercial campgrounds
 - commercial recreation areas
 - commercial hunting preserves
 - *--commercial aquaculture.--*

Note: Subsidiaries of these entities are also ineligible.

98 Eligibility of American Indians and Alaska Natives

**A
Eligibility**

American Indians and Alaska Natives are eligible to participate in SIP if they meet all other eligibility criteria.

The interests that Indian Tribes or Indian individuals hold in real and personal property represents a unique form of property rights in the American legal system.

**B
Definition of
Tribal Trust
Land**

Tribal trust land is land set aside for Indians, whether by treaty, statute, or executive order, the title for which is held by the United States (trustee). Tribal property is a form of ownership in common, held on behalf of all living members of a tribe. The tribe is the beneficiary of the trust status title.

The Federal Government has a trust responsibility for land and resources held in trust or restricted status. Within the Federal Government, the Secretary of Interior has a special fiduciary responsibility. Therefore, it is recommended that FS and State Foresters inform the local BIA line officer, before developing a forest stewardship plan and approving SIP practices.

For all lands within reservation boundaries, including non-Indian owned lands, that are subject to reserved rights, such as, exclusive jurisdiction over fishing and hunting, or contain known or potential cultural or archeological sites, consultation with the tribal government is necessary.

Note: Eligibility shall not be determined using the BIA Forest Land Classification System or on a reservation forest acres per household basis.

Continued on the next page

98 Eligibility of American Indians and Alaska Natives (Continued)

C

Land

This table lists the different land designations and eligibility for both tribes and individuals.

Designation

Land Designation	SIP Eligibility
Tribal trust	Eligible - cannot exceed acreage limits
Fee title	Eligible - cannot exceed acreage limits
Trust or restricted allotment	Eligible - cannot exceed acreage limits
Assignments	Not eligible
Fee title + <u>Tribal trust</u> Total	Eligible - total tribal acreage cannot exceed acreage limits
Trust or restricted allotment + <u>Fee title</u> Total	Eligible - total individual acreage cannot exceed acreage limits
Note: See Exhibit 2 for definitions.	Acreage limit - the landowner does not own more than 1,000 of NIPF or not more than 5,000 acres of NIPF with an eligibility waiver signed by the State Forester

99 Eligibility of Youth Organizations and Minors

**A
Youth
Organizations**

--Youth organizations, such as 4-H clubs, Future Farmers of America, and scout troops, are eligible for SIP. If the organization owns the land, the adult who officially represents the organization must sign the forms necessary for SIP. If the organization does not own the land, the adult who owns the land must sign the necessary forms, signifying the acceptance of the responsibility to maintain the practice for the minimum required lifespan.--

**B
Minors**

A minor is eligible for SIP if the minor:

- meets all other eligibility criteria
- has been made legally responsible.

See 1-CM.

100-108 (Reserved)

Section 2 Land and Practice Eligibility

109 Land and Practice Eligibility Under SIP

A

Introduction

This section includes:

- general land and practice eligibility requirements
 - LFSP requirements
 - prior approval rule requirements.
-

110 Land Eligibility

A
Maximum
Eligible Land
Ownership

C/S agreements are limited to eligible ownerships of no more than 1,000 acres of NIPF.

Exception: A written waiver must be approved by the State Forester, with concurrence from the Regional Forester * * * providing for ownership of up to 5,000 acres of NIPF land. All waivers remain in effect until the ownership of the land or the amount of land owned changes for an applicant.

Note: See Exhibit 2 for the definition of NIPF as it pertains to SIP.

B
Handling
Waivers by State
Forestry
Agencies

Service Foresters who receive requests for waivers must assess the unique environmental, economic, and social benefits to be achieved by implementing the practice and submit this information to the State Forester.

State Foresters will provide a written copy of approval waivers to the Service *--Forester, the landowner, and FSA.--*

Continued on the next page

110 Land Eligibility (Continued)

C
Handling
Waivers by
ASCS

For waivers, the County ASCS Office shall:

- refer landowners seeking a waiver of the 1,000 acres ownership rule to the State Forester

Note: Landowners should **not** forward any waiver requests to the State ASCS Office.

- request landowners to present a copy of the waiver if a waiver has not already been received from the State Forester and file it in the applicant's SIP file.
-

D
FIP and SIP
Maximum
Ownership
Criteria

There is no productivity standard for SIP. All NIPF land counts toward the 1,000 acre limit.

For FIP, only NIPF land that meets the productivity standard counts toward the 1,000 acre limit.

Note: Eligible FIP NIPF land must be capable of producing 50 cubic feet of wood per acre per year.

Example: There are 1,200 acres of total NIPF land, including 800 acres of land that meets the FIP productivity standard.

The landowner is eligible for FIP but not SIP; therefore, the SIP eligibility determination may be more restrictive than FIP.

Continued on the next page

110 Land Eligibility (Continued)

E
Minimum
Eligible
Ownership

State Foresters have the authority to establish a minimum contiguous NIPF land ownership.

The minimum contiguous NIPF land ownership eligibility criterion may not exceed 25 acres.

State Foresters have the authority to establish a separate minimum contiguous NIPF land ownership eligibility criterion for different geographical areas within the State. Where this occurs, it must follow county boundaries and be documented in a table in the State supplement of this handbook.

State Foresters have the authority to establish a separate minimum contiguous NIPF landowner eligibility criterion, by practice, where the purpose of the practice cannot be achieved by using the eligibility criterion adopted at the State or sub-State level. Where this occurs, it must be justified and documented in a table in the State supplement of this handbook and the SIP annual plan.

Notes: State Foresters should make every effort to keep the minimum ownership eligibility criterion consistent between all practices.

It is anticipated this flexibility will be used primarily for the following practices:

- *--SIP4 - Agroforestry Establishment, Maintenance, and Renovation
- SIP6 - Riparian and Wetland Protection and Improvement--*
- SIP7 - Fisheries Habitat Enhancement.

Minimum eligible land ownership applies to the total amount of contiguous NIPF owned and **not** the size of the practice that may be installed.

Continued on the next page

110 Land Eligibility (Continued)

F

Land Eligible for SIP

Lands currently enrolled or under contract in any other Federal, State, or local government programs or private sector programs are eligible for SIP C/S on the same acreage for a different practice if the SIP practice, when installed, does not degrade the intent or purpose of the original practice or contract.

Where a practice is currently under contract in any other Federal, State, or local government programs or private sector programs, SIP C/S for the same practice on the same acreage shall not be approved.

Exceptions: Where these practices are repeated because of a failure of a prior practice without fault of the landowner, the Service Forester may approve an applicant that otherwise meets the eligibility criteria of this section.

--CRP participants are eligible to receive SIP C/S funding for practices that are not offered under CRP on CRP acreage that did not receive CRP C/S. This provision does not allow participants to refund CRP C/S to obtain SIP C/S.--

111 Practice Eligibility

A

FSP and LFSP's

FSP provides technical assistance to landowners to develop LFSP's, making them eligible to implement SIP practices.

To be eligible for SIP C/S, a SIP practice project outline **must** be developed and attached to LFSP.

Note: Some landowners who implement LFSP through FSP will never seek SIP C/S.

B

LFSP

To be eligible to receive C/S funds under the program, landowners must manage the following lands under LFSP:

- all of their NIPF with existing tree cover within a contiguous tract
 - other NIPF within the same contiguous tract that is identified by the landowner and approved by PRM as suitable for growing trees and *--scheduled for conversion to forest land.--*
-

Continued on the next page

111 Practice Eligibility (Continued)

C

**LFSP
Responsibility**

Service Foresters are responsible for ensuring that LFSP is amended to include the SIP practice project outline.

FSA shall indicate on AD-245 whether the applicant already has LFSP.

D

**Prior Approval
Policy**

Landowners should be warned that if they start implementing practices before AD-245, page 1 application is approved, they will not be eligible for C/S.

Applications for C/S received by FSA for practices that have already been partially or fully implemented are not eligible for C/S.

The purchase of material or trees shall not be considered the start of the practice.

* * *

E

**Eligibility for
Individual
Practices**

National-level eligibility policy for the 9 individual SIP practices has been established by FS and outlined in the individual practice descriptions in Exhibit 14.

112-144 (Reserved)

Part 5 Handling Forms Before Practices Are Implemented**145 Overview**

A**In This Part**

The following sections are included in this part.

Section	Title
1	Accepting and Processing Applications
2	Forms Processing Before Practices Are Implemented
3	Extensions, Cancellations, Reinstatements, and Deletions

Section 1 Accepting and Processing Applications**146 Overview**

A**Introduction**

This section covers:

- the standard sequence of forms, processes, and events for SIP
 - *--field signup sequence of forms, processes, and events for SIP--*
 - signup method
 - providing basic CFSA services to SIP applicants
 - advising applicants of program provisions
 - preparing and forwarding applications
 - power of attorney and assignments
 - control numbers.
-

147 **Standard Sequence of Forms, Processes, and Events**

A

***--FSA Office
Sequence Step
Chart**

This table lists the steps of the standard SIP C/S process for applications originating in the FSA Office and all applicants without previously established FSA farm records. See subparagraph 147 B for optional field sign up for--* those with farm records. **This chart sequence assumes that the Service Forester has the technical responsibilities as PRM for the practice.**

Step	Action
1	<p>*--Landowners may apply for SIP C/S at the County FSA Office using an automated AD-245. If needed, the County FSA Office will:--*</p> <ul style="list-style-type: none"> • update name and address files for applicants • create farm and tract numbers to record acreage • collect payment limitation data on SIP-502 from landowners, if needed • make reasonable accommodations for persons unable to visit the County Office. <p>Landowners who need additional information on SIP practices or LFSP's should be referred to the Service Forester before the application is made.</p>
2	<p>*--At the end of each application batching period, the County FSA Office will batch and send to the Service Forester:</p> <ul style="list-style-type: none"> • each original AD-245, page 1 • each original AD-862 • each original SIP-502 (or a copy of the valid CCC-502, if available), if needed • 1 copy of the Sequential Ledger Entry Report. <p>Copies of these forms shall be kept by FSA.--*</p>

Continued on the next page

147 Standard Sequence of Forms, Processes, and Events (Continued)

A
 --FSA Office--
 Sequence Step
 Chart
 (Continued)

Step	Action
3	<p>The Service Forester shall:</p> <ul style="list-style-type: none"> • for applications requiring a site visit, visit the site and: <ul style="list-style-type: none"> • make needed and practical determinations on AD-862 • collect natural resource data on AD-862 •*--prioritize eligible AD-245, page 1's • approve and calculate the C/S approved amounts and complete columns D and F on AD-245, page 1, and sign eligible AD-245, page 1's • disapprove and sign ineligible/disapproved AD-245, page 1's and ENTER "0" in columns D and F on AD-245, page 1 • determine which eligible, but not approved AD-245, page 1's should be deferred for possible future approval • return ineligible/disapproved and approved AD-245, page 1's, their AD-862's, and the list of deferred AD-245, page 1's to FSA--* • keep SIP-502's or CCC-502's, if needed.

Continued on the next page

147 Standard Sequence of Forms, Processes, and Events (Continued)

A
FSA Office
Sequence Step
Chart
(Continued)

Step	Action
4	<p>The County FSA Office shall:</p> <ul style="list-style-type: none"> •*--send approval letters with AD-245, page 2 to approved applicants, including SF-1199A--* • send disapproval letters to ineligible/disapproved applicants • send notification letters to applicants whose AD-245, page 1's have been deferred • for approved AD-245, page 1's, enter preliminary AD-862 data and AD-245, page 1, approved data into the County Conservation System and promptly return original AD-862's and copies of AD-245, page 2's to the Service Forester • for ineligible/disapproved AD-245, page 1's, enter disapproval date into the County Conservation System.
5	<p>After approved practices are implemented by the landowner, the landowner shall:</p> <ul style="list-style-type: none"> • certify performance on AD-245, page 2 • complete SF-1199A * * * • return AD-245, page 2 to the Service Forester • return a copy of all cost documentation to the Service Forester with AD-245, page 2 • keep all cost documentation for 36 months.

Continued on the next page

147 Standard Sequence of Forms, Processes, and Events (Continued)

A
FSA Office
Sequence Step
Chart
(Continued)

Step	Action
6	<p>The Service Forester shall:</p> <ul style="list-style-type: none"> • receive AD-862 from FSA • receive AD-245, page 2 and copies of cost documentation from the landowner • receive SF-1199A * * * for direct deposit • make a site visit and certify performance on AD-862 and AD-245, page 2 • collect final practice data on AD-862 • determine the total C/S earned on AD-245, page 2 as adjusted, if necessary, for ineligible contributors and the payment limitation and complete columns G and H and sign and date "C/S Earned Approved By/Date" field on AD-245, page 2 • return AD-245, page 2, AD-862, and * * * SF-1199A to FSA.
7	<p>The County FSA Office shall:</p> <ul style="list-style-type: none"> • enter final performance data from AD-862 into the County Conservation System • determine net payment amount for the landowner on AD-245, page 2 by reducing total C/S earned by any setoffs or assignments • enter C/S earnings and payment data from AD-245, page 2 into the County Conservation System • initiate a disbursement transaction using the disbursement software.

Continued on the next page

147 **Standard Sequence of Forms, Processes, and Events (Continued)**

B

Field Signup Sequence Step Chart This table lists the steps for the Service Forester to generate field sign up of SIP C/S process.

Step	Action
1	<p>Landowners may sign up in the field for SIP C/S if they already have an established *--FSA farm record. The Service Forester shall:</p> <ul style="list-style-type: none"> • complete AD-245, page 1 according to Exhibit 23--* • complete SF-1199A's if direct deposit is requested • complete SIP-502 for individual participants expected to reach maximum payment limitations • make needed and practical determinations and collect natural resource data on AD-862 • *--prioritize eligible AD-245, page 1's, including those applications that originated at the FSA Office • approve and calculate the C/S approved amounts and complete columns D and F on AD-245, page 1 and sign eligible AD-245, page 1's • disapprove and sign ineligible or disapproved AD-245, page 1's, and ENTER "0" in columns D and F on AD-245, page 1 • determine which eligible, but not approved AD-245, page 1's should be deferred for possible future approval • send ineligible or disapproved and approved AD-245, page 1's, AD-862's, the list of deferred AD-245, page 1's, to FSA, completed SF-1199A's, and copies of Service Forester generated SIP-502's to appropriate FSA County Offices.
2	<p>Service Forester, County FSA Office, and landowner shall now follow--* subparagraph A sequence chart, beginning with Step 4.</p>

Continued on the next page

147 Standard Sequence of Forms, Processes, and Events (Continued)

C**Allowed
Flexibility
Regarding
Approval
Method**

Where the State Forester requires SIP C/S funds to be held at the State level until applications are approved, the following must occur:

- allocations of zero dollars must be provided to participating counties
- applications must be sent to Service Foresters to complete eligibility determinations
- Service Foresters must calculate C/S approved amount on eligible applications.

*--AD-245 requests cannot be entered in the system until "SIP" and other applicable practices and components are entered on the County Eligibility Table. See 1-CONSV.

Enter AD-245 requests according to 1-CONSV and this handbook. Final--* approval cannot be entered until the county has received an allocation for the program.

Continued on the next page

147 Standard Sequence of Forms, Processes, and Events (Continued)

D

**Allowed
Flexibility
Regarding
Application
Batching**

Instead of batching applications at the end of an application batching period, FSA, if required by the State Forester, shall forward AD-245, page 1's to Service Foresters as available for making early eligibility and needs determinations according to subparagraph 163 C.

When the batching process is not used, approval determinations shall not be made until the Sequential Ledger Entry Report is received from FSA * * *.

E

**Retaining Cost
Documentation**

Participants are required to keep cost documentation for 36 months after completing a practice.

F

**Allowed
Flexibility
Regarding
Standard
Sequence
Modifications**

When an agreement is reached between the State Forester and SED, additional steps may need to be added to the standard sequence.

148 **Signup Method**

A

**Continuous
Signup**

--SIP applications may be submitted to participating County FSA Offices or--
generated by the Service Forester at any time.

--149 Providing Basic FSA Services to SIP Applicants--

A

Basic Services

For landowners without established records and wanting to apply for SIP C/S,
*--County FSA Offices shall establish:

- FSA farm and tract numbers--*
- producers' name and address information
- SIP-502 for individual participants expected to reach maximum payment limitations
- entity and member ID numbers, and member percent share information on SIP-502, if no valid CCC-502 is already on file for applicants other than individuals.

Notes: See Exhibit 16 for an example of SIP-502.

SIP-502 is **not** required for individuals not expected to reach the maximum payment limitation.

150 Power of Attorney and Assignments

A**Power of Attorney**

*--Request that applicants complete SIP-211 or SIP-211-1 for power of attorney when needed. Prepare SIP-211 and SIP-211-1 according to the instructions in 1-CM for FSA-211.

See Exhibit 17 for an example of SIP-211.

See Exhibit 17.5 for an example of SIP-211-1.

Note: Never use FSA-211 for SIP applicants. Existing FSA-211's on file--* are not valid for SIP.

B**Assignments**

C/S payments may be assigned only for costs associated with performing a program practice. Prepare SIP-36 according to the instructions for completing CCC-36 in 63-FI to handle SIP assignments.

See Exhibit 18 for an example of SIP-36.

Note: Never use CCC-36 for SIP assignments. **Do not** enter SIP-36's in the assignment and joint payment system.

151 Advising Applicants of Program Provisions

A**Applicant
Assistance**

--County ASCS Office employees and Service Foresters who assist-- applicants in filing requests shall advise SIP applicants that:

- the State Forester's local office (the Service Forester), not ASCS, will make practice approval and payment decisions
- the applicant must be the landowner
- landowners principally engaged in the production of
*--primary wood products are not eligible for SIP2 and SIP3
- landowners principally engaged in commercial aquaculture are ineligible for SIP7
- landowners principally engaged in commercial wildlife "put and take" operations are ineligible for SIP8
- landowners principally engaged in commercial recreation operations are ineligible for SIP9--*
- landowners owning more than 1,000 acres of NIPF, but not more than 5,000 acres of NIPF, are eligible only by obtaining an eligibility waiver signed by the State Forester

Continued on the next page

151 **Advising Applicants of Program Provisions (Continued)**

A
Applicant
Assistance
(Continued)

- landowners must own at least the minimum acreage of NIPF that has been established for SIP eligibility by the State Forester

* * *

- the practice was not started before written approval of the application by the State Forester
 - if the practice has been established and currently exists on the site as a result of previous Federal cost-sharing, the practice is not eligible for SIP cost-sharing
 - the maximum payment limitation is \$10,000 per landowner per FY
 - a 10-year maintenance requirement applies to all SIP practices that receive C/S, with the exception of SIP1.
-

152-161 (Reserved)

Section 2 Processing Forms Before Practices Are Implemented

162 Overview

A

Introduction

This section provides instructions for handling applications and notifying
*--applicants of approved and disapproved AD-245, page 1's. See Exhibit 22 for
an example of AD-245. See Exhibit 22 for an example of AD-245 for sign up at
the FSA Office and Exhibit 23 for sign up generated by the Service Forester.--*

163 Preparing and Forwarding Applications

A

**Acceptable
AD-245, Page 1**

AD-245, page 1 must be submitted to the local County FSA Office or Service Forester by the landowner to formally begin the application process.

Note: FSA may make reasonable accommodations for persons unable to visit the County FSA Office.

B

**FSA Preparation
of AD-245,
Page 1 and
AD-862**

FSA shall prepare AD-245, page 1 according to the applicable instructions in Exhibit 22, Exhibit 23, and AD-862 according to the instructions in DM-9500-1.

Note: When AD-862 is printed, a list of any previous payments made in the current FY will also print. This list should be attached to AD-862 and forwarded to the Service Forester. See subparagraph 492 A.

*--When the application is taken at the County FSA Office, employees shall notify applicants that payment must be made by EFT if they are approved for C/S.

Note: EFT requirements are in paragraph 401.--*

Continued on the next page

163 Preparing and Forwarding Applications (Continued)

B***--FSA****Preparation of
AD-245, Page 1
and AD-862
(Continued)**

Each AD-245, page 1 generated for SIP will be assigned a control number by the automated system consisting of the last 2 digits of the FY in which the request is made and a 4-digit sequentially assigned number.

Note: AD-245, page 1 and AD-862 will print without a COC willing to approve date.

If AD-245, page 1 has multiparticipants, complete the automated AD-245--* according to 1-CONSV.

It is imperative that when more than 1 individual or entity is to receive a payment, each participant ID is entered as a multiparticipant.

This multiparticipant data will be sent to the SIP Financial Management System to create a disbursement record for each eligible participant so that they can receive a payment.

Continued on the next page

163 Preparing and Forwarding Applications (Continued)

C

Service Forester Preparing *--AD-245, Page 1 and AD-862

Service Forester shall prepare AD-245, page 1 according to the applicable--* instructions in Exhibit 23 and AD-862, according to the instructions in DM-9500-1.

For a field-generated application, the Service Forester shall:

- ask applicants whether they prefer direct deposit if they are approved for C/S and receive payment
- *--note in the "Remarks" block of AD-245, page 1 when direct deposit is preferred.

County FSA Offices and Service Forester should agree on a schedule to return AD-245, page 1, and AD-862 to the FSA Office.

D

FSA Preparation of SIP-502

County FSA Offices shall instruct landowners to prepare SIP-502, unless an--* applicable CCC-502 currently exists on file.

Note: SIP-502 is not required for individuals not expected to earn the maximum payment limitation.

E

*--FSA Preparation of Sequential Ledger Entry Report

County FSA Offices shall print a copy of the Sequential Ledger Entry Report at the end of each application batching period and attach it to the batch of applications to be forwarded to the Service Forester. See subparagraph 165 D.

F

Form Filing Requirements

Copies of all forms in this paragraph should be made by the County FSA--* Office and filed in the applicants' SIP files before the originals are forwarded to the Service Forester.

164 Service Forester Application Determinations

A
Service Forester
Eligibility
Determinations

--When applications are received from FSA, or generated in the field, the--
Service Forester shall:

- determine whether the applications meet all eligibility criteria
- when needed, make site visits if a site visit is required to make needed and practical determinations and collect natural resource data for the practices on AD-862, as required by DM-9500-1.

Continued on the next page

164 Service Forester Application Determinations (Continued)

B
Service Forester
Approval
Determinations

For applications determined eligible after the site visit, the Service Forester shall complete the application by entering each component requested.

When entering component requested information, the Service Forester shall:

- often need to add, delete, or revise the component information on eligible *--AD-245, page 1's and AD-862's, as received from the County FSA Office
- need to ensure that all components, their units, and their flat rates or NTE rates entered on eligible AD-245, page 1's by the Service Forester have been previously provided to the County FSA Office and entered on the County Eligibility Table by FSA
- approve no more than 6 components on AD-245, page 1, block B, Practice Title
- enter the C/S approved amount and extent approved on AD-245, page 1--*
- by county, approve applications from highest to lowest priority using the:
 - priority guidelines established by the State Forester
 - C/S approved amount as determined by the Service Forester and entered *--on AD-245, page 1 for each eligible application

Note: Service Foresters may often need to revise the "Estimated \$ C/S Value" amount entered by FSA at the time of application.--*

Continued on the next page

164 Service Forester Application Determinations (Continued)

B
Service Forester
Approval
Determinations
(Continued)

- current balance available for commitment as provided by the County
 --FSA Office on the Sequential Ledger Entry Report, column 7.--

Note: The total amount of C/S for all approved applications can equal, but not exceed, the balance available for commitment.

The Service Forester may approve amounts that are less than the amount requested by the applicant when not enough funding remains to approve the entire request. In this case, Service Foresters may want to decrease the extent approved to coincide with the C/S approved amount.

C
Service Forester
Deferral
Determinations

Service Foresters shall determine which, if any, eligible applications not approved because of their priority, limited funding, or both will be deferred by the Service Forester for possible approval during an upcoming application batching period.

Note: Each application must be determined by the Service Forester to be either **disapproved, approved, or deferred** for future consideration.

D
Handling
Approvals of
SIP2 and SIP4
When 4-Year
Maintenance Is
Needed

When landowners request 4-year maintenance under practices SIP2 and SIP4 deemed necessary to ensure the survival of tree seedlings, Service Foresters may approve installing components in years:

- *--1 and 2 on the original AD-245 with an expiration date of 24 months--* following the date of practice approval
- 3 and 4 when requested on a separate application for C/S submitted by the landowner.

Important: Although Service Foresters cannot guarantee landowners C/S approval in years 3 and 4 for components deemed necessary to ensure the survival of tree seedlings, these applications should be given highest priority for available funds.

165 Processing of Applications by Service Foresters

A
Service Forester
Handling of
Disapproved
Applications

Service Foresters shall handle disapproved applications according to this table.

Step	Action
1	*--Enter the following on AD-245, page 1:--* <ul style="list-style-type: none"> • zero for the extent approved (block D) for each component • zero for the C/S approved (block F) for each component • signature and date on the State Forester line.
2	Enter needed comments on AD-862, item 7 (Needs Statement).
3	*--Return AD-245, page 1, and AD-862 to the County FSA--* Office.

Note: Service Foresters are advised to keep a list of applicants disapproved because of lack of funds for future use should funds become available.

Continued on the next page

165 Processing of Applications by Service Foresters (Continued)

B

Service Forester The Service Forester shall handle approved applications according to this table.

Handling of Approved Applications

Step	Action
1	<p>*--Enter the following on AD-245, page 1:--*</p> <ul style="list-style-type: none"> • extent approved in block D for each component • where C/S approved is calculated using the percentage of total cost method, NTE rates must be shown or entered in block E • C/S approved in block F for each component rounded to nearest whole dollar <p>Note: C/S approved for each component must equal extent approved (block D) multiplied by the flat or NTE rate (block E).</p> <ul style="list-style-type: none"> • the State Forester's or Service Forester's signature and the date signed <p>Important: Where State or local committees or groups are convened by the State Forester to recommend approval and disapproval of applications, the State Forester or Service Forester must still sign the application and *--return it to the County FSA Office for further processing.--*</p> <ul style="list-style-type: none"> • the practice expiration date. <p>Note: Each practice expiration date established by the Service Forester shall be no more than 18 months from the date the Service Forester signed the approval.</p>
2	<p>*--Return AD-245, page 1, and AD-862 by the beginning of the next application batching period to the County FSA Office. Keep necessary SIP-502, or CCC-502, for Service Forester control of payment limitation.</p>

Note: FSA will return AD-862 and a copy of AD-245, page 2 to the--* Service Forester after the data has been entered into the system.

Continued on the next page

165 Processing of Applications by Service Foresters (Continued)

C
Service Forester
Handling of
Deferred
Applications

Service Foresters shall handle deferred applications according to this table.

Step	Action
1	Keep the original copies of all application documents until the application is approved or disapproved.
2	*--Only send to the County FSA Office a list of deferrals--* showing the: <ul style="list-style-type: none"> • county name • State and county code • farm number • applicant name •*--AD-245 control number.

D
Need for Prompt
Processing

Service Foresters **must** promptly process and return to the County FSA--* Office all applications that are determined to be disapproved and approved and the list of any deferred applications. In all cases, these **must** be returned before the beginning of the next application batching period.

***--166 FSA Notification of Approved Applicants**

**A
FSA Forms
Review of
Approved
Applications**

When approved applications are returned by the Service Forester, County FSA Offices shall review them according to this table.

Step	Action
1	Verify that the Service Forester has completed AD-245, page 1.--* <ul style="list-style-type: none"> • Block D must show the extent approved amount for each component of the practice. • Block E must show the established flat or NTE rate. • Block F must show the amount of C/S approved for performing each component of the practice and must equal the established flat or NTE rate (block E), times the approved units (block D) rounded to the nearest whole dollar.
2	Verify that the Service Forester has certified the practice approval *--by signing and dating AD-245, page 1.
3	Verify that the Service Forester has entered the practice expiration date on AD-245, page 1.--*
4	Verify that PRM has certified that the practice is needed and practicable on AD-862.

Continued on the next page

166 FSA Notification of Approved Applicants (Continued)

B
FSA Processing
of Approved
Applications

When all of the proper documentation listed in subparagraph A for approved applicants has been received, the County FSA Office shall process the applications according to this table.

Step	Action
1	Update the automated AD-245 as soon as possible after the practice is approved.
2	Print AD-245, page 2 to notify the applicant of the Service Forester's approval.
3	Promptly send the Service Forester: <ul style="list-style-type: none"> • the original AD-862 • a copy of AD-245, page 2.
4	Promptly send the applicant: <ul style="list-style-type: none"> • an approval letter for the Service Forester; see Exhibit 8 • AD-245, page 2 • a blank SF-1199A * * * <p>Note: SF-1199A should be stapled to AD-245, page 2 and remain attached throughout the C/S process.</p>

***--167 FSA Notification of Disapproved Applicants**

**A
FSA Forms
Review of
Disapproved
Applications**

When applications are determined to be ineligible/disapproved by the Service Forester, County FSA Offices shall review them according to this table.

Step	Action
1	Verify that the Service Forester entered zeros on AD-245, page 1, in blocks D and F.
2	Verify that the Service Forester signed and dated AD-245 for the State Forester.

**B
FSA Processing
of Disapproved
Applications**

When the proper documentation listed in subparagraph A for disapproved applicants is received, the County FSA Office shall promptly process the applications according to this table.

Step	Action
1	Update the automated AD-245 according to 1-CONSV by--* entering the disapproval date.
2	Send the applicant a disapproval letter for the Service Forester. See Exhibit 11 for an example of a disapproval letter.

***--168 FSA Notification of Deferred Applicants**

A

**FSA Processing
of Deferred
Applications**

When eligible applications are deferred by the Service Forester, County FSA--*
Offices shall:

- maintain the list of deferrals in a county SIP file
 - mail a deferred application letter to applicants whose requests were deferred by the Service Forester. See Exhibit 9 for an example of a deferral letter.
-

169-202 (Reserved)

Section 3 Extensions, Cancellations, Reinstatements, and Deletions

203 Overview

A

Introduction

This section covers:

- obligating C/S funds
 - expiration notices and handling extensions
 - handling applicants for which performance is not reported
 - reinstating a canceled SIP approval
 - *--deleting AD-245 and AD-862.--*
-

204 Obligating Funds for Cost-Sharing

A

Obligations

If an obligation is incurred, it remains an obligation until canceled or performed, regardless of FY.

--The obligation is made when the applicant's request on AD-245, page 1 is approved by the Service Forester. The entries on the ledger are from the system-generated AD-245.--

205-220 (Reserved)

221 Expiration Notices and Handling Extensions

A

Run List of Expiring *--AD-245's

Prepare a computer-generated list of AD-245's expiring in 30 calendar days.--*
Prepare the list every 15 calendar days to keep track of approvals that need to be completed within a 30-calendar-day period. See 1-CONSV.

If the landowner has not already reported performance through the Service Forester, send an expiration notice to the applicant no later than 15 calendar days before the date the approval expires. See the example of an expiration letter in Exhibit 10.

B

Service Forester Handling of Extensions

The Service Forester shall handle the extension of time as follows:

- before the agreement expires, the Service Forester may grant up to a 6-month extension to complete a practice when the practice was not completed because of reasons beyond the landowner's control

Exception: The Service Forester may waive this provision if unusual circumstances, such as weather or timing beyond the applicant's control, prevent completion of the practice within a reasonable period of time.

- *--the Service Forester shall notify the applicant and the County FSA--*
Office in writing of the new practice expiration date when the extension is granted.
-

Continued on the next page

221 Expiration Notices and Handling Extensions (Continued)

C***--FSA Handling
of Extensions**

FSA shall handle extensions of time as follows:

- **always** use the expiration date established by the Service Forester, including any extension authorized by the Service Forester

Note: Service Foresters should provide copies of written extension letters to the County FSA Office when they are sent to participants.

- requests received by County FSA Offices for extensions of the expiration--* date should be forwarded to the Service Forester.
-

222 Handling Applicants for Which Performance Is Not Reported Before Final Expiration

A

**Service Forester
Handling of
Nonperformance**

--The Service Forester shall instruct FSA in writing to cancel the approved AD-245 if the applicant does not report performance by the final expiration-- date.

B

**Suspending
Cancellation of
Approvals**

The Service Forester may suspend cancellation if the Service Forester has definite indication that the practice was performed within the specified period.

Certification of performance on AD-862 or personal knowledge of the Service Forester is an acceptable basis for delaying cancellation.

The Service Forester takes immediate followup action to obtain the performance report.

Continued on the next page

**222 Handling Applicants for Which Performance Is Not Reported Before Final Expiration
(Continued)**

C

*--FSA

**Handling of
Nonperformance**

If a report on AD-245, page 2 is not received by FSA from the Service Forester before the practice expires, the County FSA Office shall contact the Service Forester to ensure that FSA is fully aware of any extensions or reports of performance.

When the expiration date has been exceeded, given all extensions that were provided by the Service Forester, County FSA Offices shall:

- notify the Service Forester of any information that FSA may have--* regarding whether the practice has been started or performed
 - take immediate followup action when requested in writing to obtain the performance report, if available, by contacting the participant as soon as possible
 - when requested in writing by the Service Forester, cancel the approval according to 1-CONSV and notify the participant of the cancellation for the Service Forester
 - take other action as requested in writing by the Service Forester
 - when given no direction in writing by the Service Forester, **not** cancel the *--approval and **shall** process AD-245, page 2 if it is received late.--*
-

223 Reinstating a Canceled SIP Approval

**A
Reinstating
Approvals**

Service Foresters may reinstate a canceled approval if **all** of the following conditions exist:

- the applicant requests reinstatement
- the practice was started before cancellation
- the practice was, or is reasonably expected to be, completed within a period prescribed by the Service Forester
- funds are available to reinstate the approval.

***--Important:** Service Foresters must instruct FSA to adjust the ledger when reinstating the canceled approval.

Service Foresters **must** notify the County FSA Office in writing of any reinstatements. When notified of reinstatements, County FSA Offices shall:

- follow the instructions in 1-CONSV to reinstate a canceled AD-245 in the system
 - on AD-245, pages 1 and 2, document any reinstatement actions--* undertaken by the Service Forester and notify the landowner.
-

--224 Deleting AD-245 and AD-862--

A

Deleting Records The only records that should be deleted are:

- those that have been erroneously entered
- duplicate records.

***--Note:** After AD-245 and AD-862 have been deleted, they cannot be--*
 accessed again and are removed from all applicable reports.

225-260 (Reserved)

Part 6 Handling Forms After Practices Have Been Completed

261 Overview

A

In This Part

The following sections are included in this part.

Section	Title
1	Basic Provisions
2	Performance Review
3	Preparing Net Payment Amounts
4	Partial Payments
5	Adjustment Applications

Section 1 Basic Provisions

262 Overview

A

Introduction

This section covers:

- participant performance reports
 - certification requirements
 - *--who may file performance reports on AD-245--*
 - practice cost document requirements.
-

263 Participant Performance Reports

**A
Performance
Information To
Be Reported by
Participants**

To be eligible for C/S payment, persons who perform approved practices shall
--provide the following information on AD-245, page 2:--

- expense bearing information in block X
 - receipt of prior payment information in block Y
 - performance certification with a signature and date at the bottom of
--AD-245, page 2.--
-

264 Certification Requirements

A***--AD-245
Returned by
Participants**

Participants shall be instructed in the approval letter to return AD-245,--* page 2 on which performance has been certified, all cost documentation, and, if applicable, SF-1199A to the **Service Forester**.

Note: Cost documentation includes any paid receipts, invoices, canceled checks, labor reports, analysis tags, or other similar evidence verifying the cost of practice installation.

*--The approval letter sent by FSA shall provide the name, job title, and office address of the Service Forester (see the example of an approval letter in Exhibit 8).

Note: Any AD-245, page 2's received inadvertently by the County FSA Office from participants after practices were implemented, should be immediately sent to the Service Forester.

The approval letter sent by FSA shall also request the applicants to list all--* taxpayer ID numbers for any individual who contributed resources toward the completion of the practice, other than the approved landowner, and the type and estimated dollar value of the resource.

***--265 Who May File Performance Reports on AD-245**

A

**Who May File
Performance
Reports**

Any eligible landowner who paid a part of the cost of a practice and knows that it was performed may sign and file a performance report on AD-245,--* page 2.

266-276 (Reserved)

Section 2 Performance Review

277 Overview

A

Introduction

This section covers:

- Service Forester performance and C/S earned certification
 - ASCS reporting possible violations of SIP provisions.
-

278, 279 (Reserved)

280 Performance Certification by Service Foresters

A

**AD-862
Processing After
Practices Have
Been Completed**

--When Service Foresters receive AD-245, page 2 from the participant, the--
Service Forester shall do either of the following.

IF the Service Forester is...	THEN the Service Forester shall...	AND...
also PRM	visit the site	<ul style="list-style-type: none"> • collect information to complete AD-862, items B 8, B 12, H, and I • certify whether the practice, as implemented, meets State program requirements.
not PRM	forward AD-862 to PRM and instruct him or her to visit the site	<ul style="list-style-type: none"> • collect information to complete AD-862, items B 8, B 12, and I • certify whether the practice, as implemented, meets State program requirements • return AD-862 to the Service Forester who shall complete item H. <p>Note: Service Foresters shall determine the total installation cost in item H when reviewing practice cost documentation provided by the participants.</p>

Continued on the next page

280 Performance Certification by Service Foresters (Continued)

B

--AD-245,--

After the practice has been completed by the landowner, the Service Forester shall follow the instructions in this table.

Page 2

Processing After Practices Have Been Completed

Step	Action
1	Certify component extent performed (block G) by verifying that the amounts entered by the participant are correct, or enter the correct amounts.
2	<p>For calculating C/S earned for components paid by flat rates, multiply the flat rate (block E) times extent performed (block G) for each component and enter the result as C/S earned (block H) rounded to the nearest whole dollar.</p> <p>Exception: If extent performed (block G) is larger than extent approved (block D), the Service Forester may increase extent approved after-the-fact to the point where it equals extent performed. If extent approved is not increased, payment will be limited to the approved amount.</p>

Continued on the next page

280 Performance Certification by Service Foresters (Continued)

B
 --AD-245,--
Page 2
Processing After
Practices Have
Been Completed
(Continued)

Step	Action
3	<p>For calculating C/S earned for components paid by percentage of actual cost with NTE's, enter C/S earned (block H) using the lesser of either of the following:</p> <ul style="list-style-type: none"> • the actual cost to perform the component as evidence by cost documentation times the practice C/S level <p>Exception: If the extent performed (block G) is larger than extent approved (block D), the Service Forester must either increase extent approved after-the-fact to the point where it equals extent performed or calculate C/S earned by:</p> <ul style="list-style-type: none"> • dividing the extent approved (block D) by extent performed (block G) • multiplying the result times the total actual cost of the component implementation • multiplying the result times the established practice C/S level. <ul style="list-style-type: none"> • the extent performed (block G) multiplied times the NTE rate. <p>Notes: Service Forester reports of extent performed (block G) and C/S earned (block H) that have to be qualified are not acceptable. A qualified report is one in which the final extent has not been completed, but will be completed in *--the future. FSA shall not process qualified reports.</p> <p>Service Foresters must have County FSA Offices adjust the ledger when--* extent approved (block D) is increased after-the-fact.</p>

Continued on the next pag

280 Performance Certification by Service Foresters (Continued)

B

--AD-245,--

Page 2

Processing After Practices Have Been Completed (Continued)

Step	Action
4	<p>Total the C/S earned (block H) amounts for each component listed and enter the total amount and current date in the Total Cost-Shares Earned block.</p> <p>Notes: The total C/S earned amount should be rounded to the nearest whole dollar.</p> <p>Service Foresters should reduce the total C/S earned, as necessary, when they determine that landowners are receiving donated resources, non-Federal C/S funds, or both. See subparagraph 345 C for an example of a reduced payment.</p>
5	<p>Certify total C/S earned by signing and dating in the C/S Earned Approved By/Date block.</p>
6	<p>*--Return AD-245, page 2 to the County FSA Office.--*</p>

C

SIP-502 and CCC-502 Processing

After determining total C/S earned, Service Foresters shall develop a payment attribution file using SIP-502 or CCC-502 according to subparagraph 492 A.

281 Increases in Extent Approved and C/S Approved After Performance

A**Service Foresters
May Increase
Extent Approved**

*--Service Foresters may increase the extent approved (block D on AD-245, page 2) for SIP after performance is completed only if ample funds are available on the ledger to pay for the extra cost.

When Service Foresters seek to increase the extent approved for AD-245,--* page 2, they must:

- enter the new extent approved in block D and circle the amount
 - enter the new C/S approved in block F and circle the amount
 - initial both circled amounts
 - *--**immediately** ensure that the extent approved is posted to the FSA--* ledger; this must be done before notifying the participant of any increases.
-

282 Supporting Data

A

Invoices and Documentation for Percent of Cost

Handle cost data for payments based on actual cost according to the following table.

Step	Action
1	Applicant must provide at least 1 of the following: <ul style="list-style-type: none"> • invoices • canceled checks • paid receipts.
2	*--Manually enter the cost of performing the components of the practice on AD-245,--* page 2, column G above the extent performed to be used to compute column H component C/S's. See Exhibit 22.
3	If a discount was given, use the sales price minus the discount to compute C/S.
4	Consider costs reported paid by ineligible persons.
5	If used materials are involved, determine and document the value of these materials based on current commercial rates.
6	If the applicant performed the practice with his or her labor, equipment, or materials, the producer shall submit a signed, itemized statement. Statements shall include: <ul style="list-style-type: none"> • dates of work performed • cost per hour charged for labor • type of equipment used • charge for equipment • type and cost of materials used • other applicable information. <p>Note: Costs allowed in these cases may not exceed the prevailing current commercial rates, as determined by Service Forester.</p>

Continued on the next page

282 Supporting Data (Continued)

B
Retention of
Invoices and
Documentation

Keep supporting evidence for percent-of-cost practices on file for the same period as for other related program documents.

C
Documentation
for Practices
With Flat Rates

Review, copy, and return to the applicant any supporting evidence that the applicant submits for flat rate practices, such as seedling invoices. Take action according to the following table.

Step	Action
1	Mark supporting evidence to ensure that it is not reused.
2	*--Make a copy of all supporting evidence and attach to AD-245,--* page 2.
3	Return the original supporting evidence to the applicant.

283-332 (Reserved)

Section 3 Preparing Net Payment Amounts**333 Overview**

A**Introduction**

This section covers:

- adjusting payments for ineligible contributions (non-Federal C/S and donated resources)
 - calculating net payment
 - recording C/S earned for ledger entries
 - dividing C/S based on contributions
 - debts due the United States
 - *--debt identification on AD-245
 - computation of nonresident alien income tax due IRS on AD-245--*
 - prompt payment interest penalties.
-

334-344 (Reserved)

345 Computing C/S When Ineligible Landowners Have Contributed

**A
Policy**

C/S payments shall not exceed 100 percent of the eligible contribution to the cost of installing the practice.

**B
Computing C/S
Payments**

When ineligible persons have contributed to installation costs of the practice, the total value of those contributions shall be included in determining C/S payments. See subparagraph C for an example of a computation where ineligible persons have contributed.

Note: The participant shall never earn C/S exceeding 100 percent of out-of-pocket costs.

Use this table for determining the eligible amount of total C/S earned.

IF...	THEN...
contributions of all eligible landowners are less than C/S *--earned on AD-245--* (block H)	<ul style="list-style-type: none"> • circle the entry in block H • limit total C/S earned to the contribution of eligible landowners.
contributions of eligible landowners equal or exceed total C/S earned	do not reduce the total C/S earned.

Continued on the next page

345 Computing C/S When Ineligible Landowners Have Contributed (Continued)

C**Example of
Contributions
From Ineligible
Persons**

A State Fish and Wildlife Agency is ineligible to receive C/S payments. However, if the agency contributes funding, labor, or equipment to enhance wildlife values, the value of the agency contribution should be used to calculate eligible C/S.

Example: The agency, using its own equipment, does site preparation work costing \$2,000. The participant establishes trees on the area at a cost of \$1,500.

The producer submits bills, including an itemized statement from the agency, for the cost of establishing the practice.

The participant is eligible to receive only \$1,500, which is 100 percent of the participant's contribution to the cost of installing the practice.

It will be necessary to determine the total practice implementation cost and its breakdown of eligible and ineligible contributions when ineligible contributions have been made regardless of whether the flat rate method or the percent of actual cost method was used to determine the component payments.

346 Calculating Net Payment

A

***--FSA
Calculation of
Net Payment on
Hard Copy**

The County FSA Office shall **promptly** determine the net payment by recording the data in the following table on the hard copy of AD-245,--* page 2.

Block	Data Entered
Setoff	<p>Enter the amount of debt or alien income tax being deducted. Debts due other agencies, the Department, and alien income tax shall be entered in dollars and cents.</p> <p>Enter the name of the person to whom the setoff disbursement was issued.</p>
Debt Assignment	Enter the amount for assignment if SIP-36 is on file for the applicant.
Net Payment	Subtract the partial payment, setoff, and debt assignment from the total C/S earned, and enter the result.
Calculations Verified by/Date	<p>*--A County FSA reviewer shall proof all Service Forester calculations on AD-245, page 2, and sign and date.</p> <p>Notes: Before calculating net payment, County FSA Offices shall--* obtain the initials of the approving Service Forester when an error in total C/S earned as calculated by the Service Forester is believed to have occurred.</p> <p style="padding-left: 40px;">The reviewer shall not have an interest in the land involved.</p> <p>*--The payment on AD-245, page 2 must be verified before the--* disbursement is initiated.</p> <p style="padding-left: 40px;">For components paid on the basis of total cost with NTE rates, the reviewer need only ensure that the NTE rates are not exceeded.</p>

347 Recording C/S Earned for Ledger Entries

A**Update of
Automated
*--AD-245**

The County FSA Office shall update the **automated** AD-245, page 2 after the computations on the **hard copy** of AD-245, page 2 have been completed. See 1-CONSV.

When C/S is updated on the automated AD-245, page 2, ledger entries are generated.

Changes to C/S approved and earned are system-generated to the ledger when updated on AD-245.--*

Total C/S earned **cannot** be decreased after performance is recorded in the system. Total C/S earned can be increased after performance is recorded in the County Conservation System, which will create an additional disbursement.

Earnings should **not** be recorded in the County Conservation System until the *--County FSA Office has received all assignment, setoff, and payment--* information.

348 Reporting Contributions by All Contributors

A Eligible and Ineligible Contributors

Where entities other than the applicant contribute any resources toward the completion of a practice and seek part of the payment for their contribution, the Service Forester must determine whether the individual is an:

- eligible participant, that is, a member of an eligible joint operation, group, association, corporation, American Indian tribe, or other private legal entity
 - *--**Note:** The approval letter sent to the landowner by FSA will request applicants to list the individuals, tax ID numbers, and type and dollar value of the contribution. Based on this information, County FSA Offices will divide C/S payment among--* contributors.
- ineligible participant, that is, **not** a member of an eligible joint operation, group, association, corporation, American Indian tribe, or other private legal entity.

Notes: Aid from an ineligible individual includes materials, services, cash, or other consideration of value provided to an eligible landowner.

Where ineligible contributions are made, the Service Forester must
--adjust the component cost on AD-245, page 2 to reflect a--
deduction of the value of the contribution.

See paragraph 345 for an example of a reduced payment.

Continued on the next page

348 Reporting Contributions by All Contributors (Continued)

B**Include All
Participants**

--AD-245, page 2 shall include, or have attached, the multiparticipants list-- of the names and addresses of all persons who bore any part of the cost of the practice and the extent of their contributions. Service Foresters shall also report any ineligible person, State, or Federal Agency.

- Consider all available information on the eligibility of the other contributors.
 - A person who is fully compensated or reimbursed for materials, equipment, services, or labor is not a contributor.
-

349 Dividing C/S Based on Contribution

A

**Divide C/S
Among
Contributors**

--County FSA Offices shall divide C/S among contributors according to the-- requirements established by the Service Forester.

When more than 1 landowner contributed toward the completion of the practice, the Service Forester shall collect information regarding the eligibility of contributors, their taxpayer ID numbers, and the portion of each SIP payment that should be paid to each eligible contributor. This information *--shall be forwarded to FSA with AD-245, page 2.--*

350-354 (Reserved)

355 Debts Due the United States

A

Enter Debts For debts due the United States, enter debt data on AD-245 directly from
***--From FSA-604** FSA-604 in the same manner as prescribed in 1-ACP.

356 Debt Identification on AD-245

A

Identify Debt Enter sufficient data on AD-245 to clearly identify the nature of the debt and the entity to which it is owed according to 1-ACP.

357 Computing Nonresident Alien Income Tax Due IRS for AD-245--*

A

Deduct Income Tax Deduct income tax from payments due nonresident aliens. Withholding this tax has priority over refunds or assignments. Determine the tax to be withheld and follow instructions according to 62-FI.

358 Prompt Payment Interest Penalties

A

Interest Penalty Payments Any prompt payment penalties due will be handled by FS at the national level with assistance from KCMO.

FS will determine whether the payment meets Prompt Payment Act criteria, calculate the interest payment, and process the appropriate payment of penalty interest.

Prompt payment interest penalties will begin 30 calendar days following the *--"C/S Earned Approved By/Date" on AD-245, page 2. See Exhibit 22.

Important: After payments are approved, the Service Forester must return AD-245 to the County FSA Office immediately to avoid--* penalties.

359-368 (Reserved)

Section 4 Partial Payments

369 Overview

A

Introduction

The sections covers:

- partial payments
 - recovering C/S when remaining components are not completed.
-

370 **Handling Partial Payments**

A

Partial Payment Authority

Service Foresters may authorize partial payments for completed components when all the following conditions are met. The Service Forester:

- determines that the completed components are reasonable accomplishments toward the ultimate completion of the practice
- has the landowner certify in writing that he or she intends to complete the practice before the practice expiration date

Note: Participant shall sign and date an agreement stating, "I agree to complete this practice or refund any cost-shares paid," and attach it
--to AD-245.--

- has obtained practice cost documentation for completed components.
-

B

Initiating Partial Payments

--When AD-245, page 2 is received by FSA from the Service Forester that has C/S earned (block H) information completed for some but not all of the components listed and has an amount entered in the Payment Advance (Partial Payment) block, FSA shall consider it a request for a partial payment.--

Continued on the next pag

370 Handling Partial Payments (Continued)

B

Initiating Partial Payments (Continued) The Service Forester must document partial payments for the completed components on AD-245, page 2 according to this table.--*

Step	Action
1	Certify the extent performed (block G) for the components to be paid.
2	Develop C/S earned (block H) for the completed components following the procedure outlined in subparagraph 280 B.
3	Add the C/S earned (block H) for the completed components. Enter the result and the current date in the Total Cost-Shares Earned block, rounded to the nearest whole dollar.
4	Certify the partial payment by signing and dating in the C/S Earned Approved By/Date block.

PRM must document on AD-862, item I a performance report indicating the components that have been performed for which a partial payment is requested.

C

Processing Partial and Final Payments *--County FSA Offices shall process partial and final payments according to--* 1-CONSV.

371 Recovering C/S When Remaining Components Are Not Completed

A

**Incomplete
Performance**

The Service Forester shall follow the refund procedure outlined in paragraph 59 when recipients of partial payments fail to complete the remaining components.

372-384 (Reserved)

Section 5 Adjustment Applications

385 Overview

A

Introduction

The sections covers:

- when an adjustment application is required
 - preparation of adjustment applications.
-

386 When an Adjustment Application Is Required

A
Adjustment
Application
Required

*--An adjustment AD-245, page 2 is required if underpayment was caused by:

- a computation error
- erroneous data as determined by the Service Forester or County FSA Office
- erroneous data reported by the participant on the original AD-245, page 2.

Note: The applicant must sign a corrected AD-245, page 2 to receive--* the additional payment or credit if the error was because of his or her performance report.

387 Preparing Adjustment Applications

A

Process

Adjustments

*--Use AD-245, page 2 to process the adjustment.

B

Correcting

Ledger Entries

If an error is found in an entry, correct AD-245.

C

Overpayment

The County FSA Office shall promptly notify the Service Forester in writing when an overpayment is determined to have occurred.

Note: County FSA Offices are **not** responsible for establishing claims or--* collecting refunds for overpayments; these are the Service Forester's responsibilities.

The Service Forester shall follow the refund procedure outlined in paragraph 59 when an overpayment is determined to have occurred.

Continued on the next page

387 Preparing Adjustment Applications (Continued)

D

Underpayments *--When underpayments are determined to have occurred, the County FSA--* Office shall inform the landowner that additional payments shall be made and shall take the action in this table.

Type of Adjustment	Action
Current FY adjustment	<p>*--Correct the data in the system on the original AD-245 by adding the adjustment amount to be paid to the original recorded C/S earned amount. The difference between the C/S earned amount on the updated AD-245 and the original AD-245 will create an additional disbursement record for the amount of the underpayment.</p> <p>Note: The Service Forester must approve the adjusted AD-245 before the adjustment is entered and the disbursement is transmitted.</p>
Previous FY adjustment	<p>Create a new AD-245, page 2 in the County Conservation System when the original AD-245 can no longer be accessed.</p> <p>Note: If AD-245 can be accessed, follow the instructions for current FY adjustment.</p> <p>Enter the data on the new AD-245 for only the additional amount that needs to be paid. This will create a disbursement record for the amount of the underpayment.</p> <p>Write "Adjustment" at the top of AD-245, page 2.</p>

If the underpayment was caused by erroneous data reported by the applicant on the original AD-245, the applicant must sign the adjusted AD-245, page 2 to receive additional payment.

Note: The Service Forester must approve the new AD-245 before the--* adjustment is entered and the disbursement record is transmitted.

388-397 (Reserved)

Part 7 SIP Disbursement Process

398 Overview

A

Introduction

The program function will pass validated payment data to the SIP disbursement function when C/S earned is reported. Validated payment data consists of:

- landowner ID number
 - AD-245 control number
 - C/S earned by the landowner.
-

B

Additional Payment Data

When control is passed to the disbursement function, additional payment data must be entered. This includes:

- date certified by Service Forester
 - setoff and assignment information
 - method of payment.
-

C

How Payment Is Made

Payments will be disbursed through the Kansas City Treasury Regional Disbursing *--Office by direct deposit to the landowner's financial institution. If the landowner is eligible for an EFT waiver, the Kansas City Treasury Regional Disbursing Office will issue a Treasury check.--*

D

In This Part

The following sections are included in this part.

Section	Title
1	Basic Provisions
2	Computer Operations

Section 1 Basic Provisions

399 Overview

A

Introduction

This section covers:

- how payments are made
 - *--requirements for direct deposit of SIP payment--*
 - disbursement not received by landowner
 - lost, stolen, or destroyed checks
 - canceling a Treasury check
 - priority of setoffs and assignments
 - prompt payment requirements
 - refunds of SIP payments
 - IRS reporting
 - County FSA Office reports of SIP payment data.
-

400 How Payments Are Made

**A
Payment
Requests**

When C/S earned is entered in the program application, a payment request will be generated. The County FSA Office will not make the disbursement.

The payment request must be transmitted to KCMO * * * on a daily basis when *--C/S earned is entered. The transmission file must be accepted in KCMO by 1 p.m. c.t.--*

* * *

**B
KCMO Activity**

KCMO will merge all County FSA Office transmissions and provide a magnetic tape to the Kansas City Treasury Regional Disbursing Office of payments to be made.

KCMO will provide a report of the payment history file to FS at the national level monthly.

**C
Treasury
Disbursement**

Treasury will disburse checks or ACH payments the 1st workday after receiving KCMO's magnetic tape.

***--401 Requirement for Direct Deposit of SIP Payment**

**A
Authority for
EFT**

DCIA mandates that Federal payments to a recipient who becomes first eligible for that type of payment after July 25, 1996, shall be made by EFT. DCIA further requires that all Federal payments made after January 1, 1999, shall be made by EFT.

During the interim period of July 26, 1996, to December 31, 1998, recipients of paper checks based on eligibility before July 26, 1996, should be made aware of the January 1, 1999, deadline for EFT, and encouraged to voluntarily elect EFT before the deadline.

**B
Determining
Date First
Eligible for
Payment**

A recipient is first eligible for payment at the time of signing an application for that specific program. If the original program application is signed on or before July 25, 1996, the recipient has the option of payment being made by EFT or Treasury check until January 1, 1999. Recipients electing Treasury check should be encouraged to elect EFT and reminded of the January 1, 1999, deadline.

**C
Providing
SF-1199A**

SF-1199A shall be provided to the landowner at the time of notification of application approval. The landowner must return the completed SF-1199A to initiate the direct deposit.--*

**D
Reviewing
SF-1199A**

The County FSA Office shall review SF-1199A and ensure that the following items are completed:

- bank account number
- type of account
- bank routing number.

If these items are not completed, return SF-1199A to the landowner.

*--**Note:** See 1-FI, paragraph 64, for an example of SF-1199A.--*

Continued on the next page

--401 Requirement for Direct Deposit of SIP Payment (Continued)--

E

Invalid Banking Information

If the banking information is invalid for an ACH payment, Treasury will notify KCMO that the transaction cannot be processed. KCMO will arrange for a Treasury check to be mailed to the landowner's mailing address.

KCMO will notify the County FSA Office if a check must be issued rather than an ACH payment.

***--F**

Waiver of EFT Requirement

A waiver will be granted to a landowner if the landowner provides a written certification that they do not have an account with a financial institution or an authorized payment agent. County FSA Offices may provide the following to landowners who request certification wording.

<p>Any payment that FSA makes to you will be made by electronic funds transfer unless you certify in writing that you do not have an account with a financial institution or an authorized payment agent.</p> <p>I certify that I do not have an account with a financial institution or an authorized payment agent.</p> <p>_____</p> <p>Signature and Date</p>
--

All waivers shall be filed with AD-245.

An approved waiver is only valid through December 31, 1998. Beginning January 1, 1999, payment **must** be made through EFT.

A waiver is not necessary for the following payments because the County Office system cannot process EFT for them at this time:

- payment to an assignee
 - offsets to FS, CCC, and other agency claims.--*
-

402 Disbursement Not Received by Landowner

A

When Payment Should Be Received

Within 3 workdays after the County FSA Office transmits the payment request to *--KCMO, one of the following will occur:--*

- payment will be posted to the landowner's account * * *
 - a Treasury check will be mailed.
-

B

Payment Not Received

If the landowner reports that payment has not been received, the County FSA Office shall contact the State FSA Office. The State FSA Office shall contact KCMO to report nonreceipt of payment. A payment is considered late if it is not received within the following number of days after the County FSA Office *--transmits the payment request to KCMO:--*

- 4 workdays if payment is by ACH
 - 10 workdays if payment is by Treasury check.
-

C

KCMO Contact

--Contact KCMO at 816-926-6931.--

D

Information Needed

Provide the following information to KCMO, SCFOD, DCB:

- State and county codes
 - landowner ID number
 - payee ID number
 - name and address of payee
 - amount of payment
 - County FSA Office transmission date
 - * * *
 - if payment was to be by ACH or check.
-

403 Lost, Stolen, or Destroyed Checks

A**Written
Statement From
Landowner**

A payee must notify the County FSA Office in writing when a check has been lost, stolen, or destroyed. This statement must include:

- whether the check was received, and, if so, whether the check was lost, stolen, destroyed, or mutilated
 - whether the check was endorsed by the payee on the reverse side of the check or if the check had a restrictive endorsement such as "for deposit only"
 - the circumstances surrounding the loss, theft, destruction, or mutilation of the check
 - present address of the claimant
 - signature of the payee (or payees if the check is drawn jointly to 2 or more payees).
-

B**County FSA
Office Contacts
KCMO**

When the landowner provides the statement in subparagraph A to the County FSA Office, the County FSA Office must write a memorandum to KCMO to request a replacement check. The memorandum must include:

- SIP program code
 - State and county code
 - landowner ID number
 - payee ID number
 - name and address of payee
 - amount of payment
 - transmission date of original disbursement data.
-

C**KCMO Mailing
Address**

*--Mail or FAX the memorandum in subparagraph B and a copy of the payee's statement to KCMO at the following address or FAX number:

KCMO, SCFOD, DCB
P.O. BOX 419205
KANSAS CITY, MO 64141-6205.

FAX to 816-823-1813, Attention: John Smith.--*

404 Canceling a Treasury Check

A

How to Cancel a Treasury Check

When a Treasury check is returned to the County FSA Office and must be canceled:

- write on the face of the check (above the MICR clear band and below the amount block), "Not Negotiable for Payment and Credit in the U.S. Treasury's Account"
- mail the check to be canceled to KCMO, using the address in subparagraph 403 C (include a memorandum explaining the reason for cancellation)
- *--if a substitute check is **not** to be issued, make a ledger adjustment to the SIP ledger according to 1-CONSV **after** receiving approval from the State Office.

Important: State Offices **must** contact CEPD, through the Area Office, to obtain approval for a County Office to make a ledger adjustment for SIP.

B

Expired Treasury Checks

SIP Treasury checks are valid for 1 year after the issue date.

If the returned SIP Treasury check is expired and the landowner requests a substitute check, cancel the check according to subparagraph A.

- In the memorandum to KCMO, include a statement requesting a substitute check to be issued.
 - Do not make a ledger adjustment to the SIP ledger.--*
-

405 Priority of Setoffs and Assignments

A

Setoffs for FS

Setoffs for FS have priority over all other setoffs or assignments. FS will notify FSA in writing when an FS setoff is to be taken.

B

Setoffs for CCC or FSA

Setoffs for CCC or FSA have priority over:

- setoffs for other Government Agencies, except FS
- assignments.

Follow procedure in 58-FI when making setoffs for CCC or FSA. The County FSA Office will receive a Treasury check for the amount of the setoff.

Note: When the setoff check is received, follow procedure in 3-FI to prepare the deposit.

C

Setoffs for Other Government Agencies and Assignments

Setoffs for other Government Agencies must be requested through FS. FS will notify FSA in writing if a setoff for another Government Agency is approved.

Approved setoffs for other Government Agencies and assignments have equal priority.

Assign priority by the date FSA is notified of the approved setoff or receives a valid assignment.

D

Number of Setoffs for Other Government Agencies or Assignments

There may be a maximum of 10 setoffs for other Government Agencies or assignments for any payment due the landowner.

406 Prompt Payment Requirements

A
When Payment Is Due Payment is due the landowner within 30 calendar days of the date FS approves C/S earned. This date is shown on AD-245, page 2 in the C/S Earned Approved By/Date block.

B
Recording C/S Earned C/S earned must be entered at the County FSA Office and transmitted no later than 4 workdays before the payment due date to avoid prompt payment interest.

***--Note:** Do not delay payment until 4 workdays before the payment due date.--*

C
Determining Interest Due The County FSA Office will not calculate or make payment of interest due. The date in subparagraph A will be transmitted to KCMO. If this date is 30 or more calendar days past the KCMO processing date, the payment will print out on a list for FS at KCMO.

D
Payment of Interest Due At the national level, FS is responsible for calculating and paying any interest payable because of prompt payment requirements.

E
Payment Cutoff Dates Partial or final performance for SIP practices shall not be recorded nor shall SIP *--disbursements be transmitted during the period of 5 workdays before the end--* of:

- September, because of FY reporting
- December, because of IRS reporting.

Partial or final performance that needs to be recorded for SIP practices during *--these 5 workdays shall be held and recorded on the first workday of October--* or January, as applicable.

407 Refunds of SIP Payments

A

**Refunds Not
Entered**

Refund payments shall not be accepted or processed by the County FSA Office.
FS is responsible for collecting refunds.

Note: No county ledger entries will be made for refunds.

408 IRS Reporting

A

SIP-1099-G

*--IRS reporting for SIP payments is separate from CCC and FSA tax reporting.

KCMO will prepare SIP-1099-G specifically for SIP payments.--*

B

Verifying

SIP-1099-G

If a landowner asks for verification of SIP-1099-G for SIP payments, provide a list of payment requests transmitted for the ID number.

Refer the landowner to FS for any questions regarding refund data.

***--409 County FSA Office Reports of SIP Payment Data**

A

Payment Reports The County FSA Office may request reports from the payment file by:

- ID number
 - AD-245 control number--*
 - date payment request was transmitted.
-

B

Payments Reportable to ID Number To request the list of payments reportable to an ID number, enter the ID number.

C

Payments by Control Number *--To request the list of payments by a designated AD-245 control number,--* enter the control number.

Specify dates for the report. If dates are not specified, the report will contain information for the current FY only.

D

Date Payment Request Transmitted To request the list of payments by designated dates, enter the beginning and ending dates.

If an ending date is not specified, the report will contain information for the date entered only.

410-425 (Reserved)

Section 2 Computer Operations

426 Overview

A

Introduction

This section covers:

- passing control to the disbursement function
 - entering additional payment data
 - entering setoffs and assignments
 - modifying pending payable file
 - certifying data for transmission
 - transmitting payable file.
-

427 Passing Control to the Disbursement Function

A
Control Passed to Disbursement Function

When C/S earned has been completed, the SIP program function will pass control to the disbursement function. Additional payment data will be entered in the disbursement function.

B
Screen EUA05001

Screen EUA05001 will be displayed when control is passed to the disbursement function.

On Screen EUA05001, enter the date FS certified the practice was *--completed. This date is shown on AD-245, page 2 in the C/S--* Earned Approved By/Date block. PRESS "Enter" to display Screen EUA05000.

C
Screen EUA05000

Screen EUA05000 will be displayed after the date certified by FS is entered.

```

*****
*Conservation          093-Okeechobee          Selection    EUA05000
*Disbursement Screen  Version: AA01  02-20-92  09:16 Term GH
*
*-----*
* Control No:      92 0070          Program: SIP          Amount:      8000.00
* Farm No:        261              Practice: SIP1
*
* # Landowner ID   Landowner Name          Total    Disb    Assign/ D
*                   Amount      Amount    Setoff  D
* 1 126 07 6513 S  ROGER L JONES
* 2 255 44 0876 S  EDWARD SMITH
* 3 263 44 9700 S  PAMELA WRIGHT
*
*
* NO MORE LANDOWNERS
*
*                   Totals:      0.00      0.00      0.00
* Undisbursed Amount: 8000.00
*
* Enter=Continue  Cmd4=Previous Screen  Cmd16=Add  Cmd20=Change
*                   Cmd24=Delete
*
*****

```

Continued on the next page

427 Passing Control to the Disbursement Function (Continued)**D**

Command Keys on Screen EUA05000 The command keys on Screen EUA05000 are described in this table.

Key	Function	Result
Enter	Updates the payable file if the undisbursed amount is zero.	Displays a screen to enter a printer *-- number to print AD-245 if partial performance.--*
	Displays an error message if the undisbursed amount is greater than zero.	Remains on Screen EUA05000.
Cmd4	Returns to the previous screen.	Displays Screen EAU05001.
Cmd16	Allows the user to add additional landowners to the control number if they were not included in the program application.	Displays Screen EUA05005 to select the additional landowner.
Cmd20	Allows the user to select the sequence number of the landowner to: <ul style="list-style-type: none"> • enter the C/S earned for the landowner • change the disbursement information if it was entered incorrectly. 	Displays Screen EUA05010 to enter or correct additional payment information.
Cmd24	Allows the user to delete a landowner that did not earn a portion of C/S.	Displays Screen EUA05015 to verify the deletion.

E**Change Each Landowner**

The change or delete option must be selected for each landowner that is passed from the program function. Each landowner must have a total amount or be deleted.

428 Entering Additional Payment Information

A
Screen
EUA05010

When a landowner is selected, Screen EUA05010 will be displayed.

```

*****
* Conservation      093-Okeechobee           Selection      EUA05010      *
* Disbursement Screen                               Version: AA01  02-20-92 09:16 Term GH *
* -----*
* Control No:      92 0070           Program: SIP           Amount:           8000.00 *
* Farm No:         261              Practice: SIP1        *
* *
* Landowner ID:   126 07 6513 S   ROGER L JONES        *
* *                               P O BOX 516           *
* *                               OKEECHOBEE, FL 349730551 *
* *
* Amount For Payee:           0.00 *
* Amount Undisbursed:       8000.00 *
* *
* Direct Deposit - Routing Number: *
*                   (C)hecking or (S)avings: *
*                   Account Number *
* *
* Are there other assignment/setoffs to be given (Y or N)?           N *
* Enter=Continue  Cmd4=Previous Screen *
* *
*****

```

B
Amount for
Payee

In the "Amount For Payee" field, enter the C/S amount earned by this payee before any setoffs or assignments.

Note: The amount cannot exceed the amount shown as undisbursed.

Continued on the next page

428 **Entering Additional Payment Information (Continued)**

C
Direct Deposit
Information

If the landowner signed SF-1199A, direct deposit information must be entered.

Field	Action
Routing Number	Enter routing number from SF-1199A, Section 3.
(C)hecking or (S)avings	From SF-1199A, block D, ENTER: <ul style="list-style-type: none"> • "C" for checking • "S" for savings.
Account Number	Enter depositor account number from SF-1199A, block E.

D
Setoffs or
Assignments

The "Are there other assignment/setoffs to be given (Y or N)?" field defaults to N. This table describes the valid entries.

IF...	THEN ENTER...	Result
setoffs or assignments are to be recorded	"Y".	Screen EUA05020 will be displayed.
no setoffs or assignments are to be recorded	"N".	Screen EUA05000 will be redisplayed.

429 Setoff for FS or FSA/CCC

A
Screen
EUA05020

Screen EUA05020 will be displayed if the user responded "Y" to the question, "Are there other assignment/setoffs to be given?", on Screen EUA05010.

```

*****
* Conservation          093-Okeechobee          Selection      EUA05020      *
* Setoff Assignment Screen          Version: AA01 02-20-92 09:16 Term GH *
* -----*
* Control No:      92 0070          Program: SIP          Amount:      8000.00 *
* Farm No:        261          Practice: SIP1 *
* *
* Landowner ID:   126 07 6513 S   ROGER L JONES *
* *                               P O BOX 516 *
* *                               OKEECHOBEE, FL 349730551 *
* *
* Amount Due Forest Service: *
* Amount Due FSA/CCC: *
* *
* Amount Remaining for Landowner: 4100.00 *
* *
* Are there other assignment/setoffs to be given (Y or N)? *
* Enter=Continue Cmd4=Previous Screen *
* *
*****

```

Continued on the next page

429 Setoff for FS or FSA/CCC (Continued)

B

How to Enter Setoffs and Assignments Enter assignments and setoffs according to this table.

IF there is...	THEN...	Result
an assignment for FS	enter the amount in the "Amount Due Forest Service" field.	The amount remaining for the landowner will be decreased.
an assignment for FSA/CCC in this county	enter the amount in the "Amount Due FSA/CCC" field.	
an assignment or setoff for another agency or another County FSA Office	ENTER "Y" in the "Are there other assignment/setoffs to be given (Y or N)?" field.	Screen EUA05025 will be displayed.
no other setoff or assignment	ENTER "N" in the "Are there other assignment/setoffs to be given (Y or N)?" field.	Screen EUA05000 will be displayed.

C

Setoff for Another County FSA Office

The system uses the County FSA Office address that is loaded in the system for the selected County FSA Office; therefore, a setoff for another County FSA Office should be recorded as a setoff for another Government Agency.

Note: The setoff for another County FSA Office has the same priority as a setoff for CCC/FSA.

430 Entering Setoffs or Assignments Other Than for FS or FSA/CCC (Continued)

**B
Command Keys
on Screen
EUA05025
(Continued)**

Key	Function	Result
Cmd20	Allows the user to select the sequence number of an assignment or setoff already recorded that must be changed.	Displays Screen EUA05030 to correct the assignment or setoff information.
Cmd24	Allows the user to delete a setoff or assignment previously entered.	*--Displays Screen EUA05035 to verify the deletion.--*

431 Entering Other Setoffs or Assignments

A
Screen
EUA05030

Screen EUA05030 will be displayed when the user selects the option to add a setoff or assignment.

```

*****
* Conservation      093-Okeechobee           Selection      EUA05030      *
* Setoff Assignment Screen                 Version: AA01 02-20-92 09:16 Term GH *
* -----*
*
* Control No:      92 0070           Program: SIP           Amount:           8000.00 *
* Farm No:         261              Practice: SIP1        *
* Landowner ID:   126 07 6513 S    Name:      Roger L. Jones *
*
*                               Name: *
*                               Address 1: *
*                               Address 2: *
*                               Route: *
*                               City: *
*                               Zip Code: *
*                               State: *
*                               Box No.: *
* City-Province Foreign Country: *
*
*
* Assignment/Setoff Amount: *
*
* Remaining Landowner Amount: 2285.18 *
*
* Enter=Continue  Cmd4=Previous Screen *
*
*****
    
```

B
Required Entries

Enter the following information on Screen EUA05030:

- name and mailing address of the assignee or other Government Agency requesting setoff
- amount to be assigned or setoff.

Note: The amount to be assigned or setoff cannot exceed the remaining landowner amount.

Continued on the next page

431 Entering Other Setoffs or Assignments (Continued)

C

**Command Keys on Screen
EUA05030** The command keys on Screen EUA05030 are described in this table.

Key	Function	Result
Enter	Records the setoff or assignment.	Displays Screen EUA05025.
Cmd4	Does not record the setoff or assignment.	Displays Screen EUA05025.

432 When All Payment Data Has Been Entered

A
Return to
Screen EUA0500
0

When all payment data has been entered, return to Screen EUA05000.

```

*****
* Conservation      093-Okeechobee           Selection      EUA05000      *
* Disbursement Screen                               Version: AA01 02-20-92 09:16 Term GH *
* -----*
* Control No:      92 0070           Program: SIP           Amount:           8000.00 *
* Farm No:         261              Practice: SIP1        *
* *
* # Landowner ID   Landowner Name           Total      Disb      Assign/ D *
* 1 126 07 6513 S  ROGER L JONES           4100.00    2285.18    1814.82 *
* 2 255 44 0876 S  EDWARD SMITH           2650.00    2650.00 *
* 3 263 44 9700 S  PAMELA WRIGHT           1250.00    1250.00 *
* *
* *
* *
* NO MORE LANDOWNERS                               Totals:      8000.00    6185.18    1814.82 *
* *
* Undisbursed Amount:                               0.00 *
* *
* Enter=Continue  Cmd16=Add  Cmd20=Change  Cmd24=Delete *
* *
*****

```

B
PRESS "Enter"

If the disbursement data is correct, PRESS "Enter" on Screen EUA05000 to continue. The payment data will be recorded in the pending payable file.

Note: If disbursement data is **not** correct, **do not** PRESS "Enter". Correct data according to this section.

Control will pass back to the program function and Screen EEA17000 will be displayed. See 1-CONSV.

433 Modifying Pending Payable Data

A**What Can Be Modified**

The pending payable file may be modified to:

- delete a setoff or assignment
- correct the name or address of a payee
- add additional setoffs or assignments.

Important: The total amount of C/S earned for AD-245 cannot be modified.

B**How to Modify the Pending Payable File**

When setoff or assignment data must be modified, ENTER "9", "SIP Disbursement Menu", from the Conservation Main Menu. Conservation SIP *--Disbursement Menu EUA000 will be displayed.

ENTER "1", "Update Non-Transmitted Disbursements", from Menu EUA000. Screen EEA10510 will be displayed.--*

C**Screen EEA10510**

On Screen EEA10510, enter the control number of AD-245 for the landowner, or enter the last 4 positions of the landowner ID number.

When a landowner is chosen, Screen EUA05000 will be displayed. Follow the change procedures in paragraph 427.

434 Error Recovery and Restart Procedures

A**When to Run
Error Recovery
and Restart**

The error recovery and restart procedure must be run anytime the disbursement process is ended before the transaction is completed. This may be caused by a power outage or a canceled job.

B**How to Begin
Error Recovery
and Restart**

If the job is terminated before the disbursement process is completed, ENTER "2", "Recovery/Restart", from the Conservation SIP Disbursement *--Menu EUA000.--*

Note: This must be done on the same terminal on which the job is terminated.

C**Completing the
Process**

Screen EUA05001 will be displayed to enter the date certified by FS. Follow the procedures in paragraphs 427 through 432.

When the disbursement process is complete, the message "LEDGER IS IN BALANCE" will display on the screen. PRESS "Enter". The payment will be added to the pending payable file.

435 Certifying Payment Data Before Transmission

A**Need for Certification**

Payment data must be certified as correct by someone other than the employee who entered the payment data. This is consistent with the concept of signing and countersigning a check.

B**Print Verification Report**

When all SIP payment data has been entered for the day, ENTER "3" on the *--Conservation SIP Disbursement Menu EUA000 to print the SIP Verification--* Report. All payment data that has not been transmitted will be listed.

An example of this report is in Exhibit 40.

C**Signing Verification Report**

The employee who entered the payment data in System 36 should sign the SIP Verification Report to certify that the data entered was correct.

D**Countersigning Verification Report**

CED, or designee, shall countersign the SIP Verification Report to certify that the payments listed are correct and payable. This includes payments:

- to the landowner
- as setoffs for FS
- as setoffs for FSA/CCC
- as setoffs to other Government Agencies and assignments.

If new SIP payment data is entered before the file is queued for transmission, a new SIP Verification Report must be printed and certified as correct.

E**Verification Number**

The verification number shown on the SIP Verification Report will be entered during the transmission process.

436 **Transmitting SIP Payment Data From County FSA Offices**

A

When to Prepare Transmission

County FSA Offices must queue the SIP payment file every day that there is payment activity. * * *

Transmissions should be scheduled before 11:30 a.m. c.t., or for normal transmission during end-of-day processing. Data may only be transmitted once per day.

B

Queuing SIP Payment Data

Take the following action to queue SIP payment data.

Step	Action
1	Select the following options to queue SIP payment data for transmission: <ul style="list-style-type: none"> • 7, Queue Files for Transmission on Menu FAX07001 • 4, Conservation Menu on Menu FMA901 • 7, SIP Disbursement on Menu FMA904.
2	The message, "FMAQEU2 Do you wish to queue for all counties? Y/N," will be displayed. ENTER: <ul style="list-style-type: none"> • "Y" if there is SIP payable data to be queued for more than 1 county (this is applicable to combined County Offices only) • "N" if there is SIP payable data to be queued for only 1 county.
3	The message, "Do you wish to queue for immediate transmissions? Y/ N," will be displayed. ENTER: <ul style="list-style-type: none"> • "Y" to queue for immediate transmission • "N" to queue for end-of-day transmission.
4	Screen EZZ50000 will be displayed to enter the printer ID and number of copies of the SIP Verification Report to print. Enter the printer ID and number of copies.
5	Screen EUA90000 will be displayed to enter the password for transmission. Enter the verification number printed on the SIP Verification Report.

Continued on the next page

436 **Transmitting SIP Payment Data From County FSA Offices (Continued)**

B

Queuing SIP Payment Data (Continued)

The system will validate that the payment verification number entered is correct.

IF the verification number is...	THEN the file will...	AND...
correct	be queued for transmission	a SIP Disbursements Transmission Report will be printed (Exhibit 41).
incorrect	not be queued for transmission	the County Office must print a new SIP Verification Report to certify payment data.

Note: The message "Warning!!! A transmission was already done for today. You must wait until tomorrow before you can transmit" will be displayed on Screen EUA90005 if the option to queue SIP records is selected more than once a day.

C

Transmitting SIP Payment Data

--After the file is queued, transmit to KCMO according to the following table.--

IF the file is to be transmitted...	THEN...
immediately	ENTER "8", "Transmit Daytime Files", on Menu FCA923 to *--transmit SIP payment data to KCMO.
during normal end-of-day transmission time	no further action is necessary. SIP payment data will be transmitted automatically to KCMO during end-of-day--* processing.

D

Filing Disbursements Transmission Report

The SIP Disbursements Transmission Report shall be stapled to the SIP Verification Report and kept for verification of payment data transmitted.

437 (Withdrawn--Amend. 7)

438-487 (Reserved)
4-30-98

Part 8 Payment Limitation and Other General Provisions

488 Overview

A

In This Part

The following sections are included in this part.

Section	Title
1	Payment Limitation
2	Other General Provisions

Section 1 Payment Limitation

489 Overview

A

Introduction

This section covers the maximum payment limit per landowner per FY and control of the maximum payment limitation.

490 **Maximum Payment Limitation**

A
Payment
Limitation
Provisions for
SIP

The maximum payment limitation for all SIP payments is \$10,000 per landowner, per FY. See Exhibit 2 for the definition of landowner.

The maximum payment limitation applies to SIP payments only. Payments for other programs **do not** count against the limitation.

*--FSA payment limitation rules that do **not** apply to SIP are as follows:--*

- person determinations
- actively engaged
- permitted entities
- foreign person.

Note: See paragraph 149 for SIP-502 requirements.

B
Direct
Attribution
Limit Method

SIP payments are limited to each landowner using direct attribution.

With direct attribution, each individual who receives a payment either directly or indirectly as a member of a joint operation or legal entity is considered to be a landowner and is limited to \$10,000 per FY. Also, each joint operation or legal entity itself is considered to be 1 landowner.

Note: Joint operations include husbands and wives, joint ventures, and similar common ownership arrangements.

Continued on the next page

490 Maximum Payment Limitation (Continued)

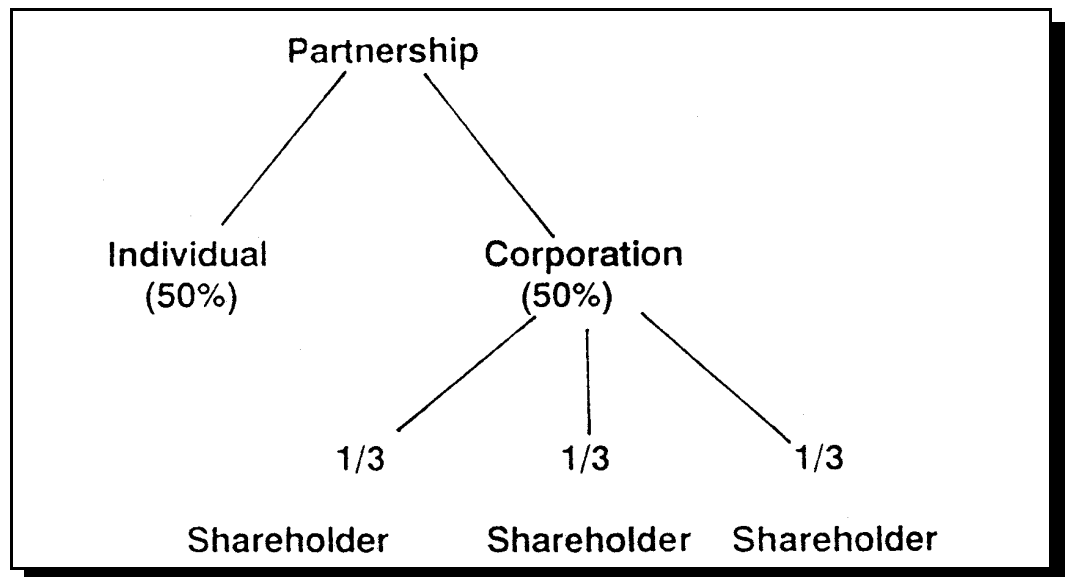
**C
Attributing
Payments**

For payment limitation, payments made to joint operations and other groups that own land in common or legal entities are also considered to be made to the members. Payment amounts attributed to individual members shall be calculated based on the:

- percentage of the entity that an individual owns
 - total payment made to the joint operation or entity.
-

**D
Example of
Attributing
Payment**

An application comes in from an individual who is a partner in a 2-person partnership. The partnership is owned by 1 individual and a corporation that each owns 50 percent of the equity.

**When attributing payment:**

- the individual is attributed 50 percent of the total C/S earned
 - the corporation is attributed 50 percent of the total C/S earned, and, in addition, each embedded corporate shareholder is attributed one-third of the corporation's total attributable amount.
-

Continued on the next page

490 **Maximum Payment Limitation (Continued)**

E

SIP-502

--FSA Service Centers shall use applicable CCC-502's that are on file for the current FY in the FSA Service Center as a source document for producer ID-- and percent share information. See paragraph 149 for SIP-502 requirements; see Exhibit 16 for an example of SIP-502.

Note: An applicable CCC-502 is one that was filed in the current FY.

F

Check-Issue Date

The check-issue date will be the date the payment is considered to have been made for payment limitation purposes.

*--Checks will generally be issued 5 workdays after the FSA Service Center has--
*
all the information necessary to arrange for the disbursement.

491 Partial Payments Made in More Than 1 Year

A

**Do Not Exceed
Maximum
Payment
Limitation**

The partial payment provision **shall not** be used to circumvent the maximum payment limitation.

If partial payments for 1 practice are to be made in more than one FY, the entire C/S for the practice shall not exceed the maximum payment limitation in effect at the time the C/S approval is issued.

492 Control of Maximum Payment Limitation

A**Payment Limit
Control**

Service Foresters are responsible for ensuring that SIP participants do not receive more than the payment limit. FSA will provide Service Foresters with copies of SIP-502 or CCC-502 to help track payment attribution when an individual is expected to reach limitation or is an entity other than an individual.

Landowners when completing AD-245, page 2 will indicate any SIP payments they have received during the current FY from any County FSA Office in the country.

- This information will be forwarded to the Service Forester to allow limitation of practice approvals and C/S earned not to exceed the payment limit.
- For previous SIP payments that were handled from their own county within the current FY, the County Conservation System will automatically generate a list after AD-862 is printed listing the payments. This list should be forwarded to the Service Forester whenever it prints.

Notes: The disbursement software will not allow 1 payment to be transmitted from the County FSA Office for more than \$10,000.

When the entity is a sole individual, the percent share is 100.

Continued on the next page

492 **Control of Maximum Payment Limitation (Continued)**

A

Payment Limit Control (Continued)

To control payment limitation, Service Foresters shall:

- refer to payment attribution files as needed when approving requests for C/S and total C/S earned amounts

 - refer to the previous payment certification statement made by the landowner *--on AD-245, page 2, block Y

 - refer to any information provided by the County FSA Office regarding--* previous payments to the landowner during the current FY

 - reduce approval amounts accordingly when payment limit violations may occur within one FY.
-

B

National Payment Limit Reports

KCMO will distribute to the National FS Office a yearly listing report developed with any payment limitation violations.

Continued on the next page

492 Control of Maximum Payment Limitation (Continued)

C

**Applicant
Responsibility**

Advise applicants that they are responsible for abiding by the prescribed maximum payment limitation.

D

**Approval of
Multiple
Practices**

The \$10,000 payment limitation applies to the actual payment approved for each landowner during one FY.

Service Foresters can approve multiple practices within one FY for 1 landowner. If the practices are scheduled to be completed during the same FY, they must total less than \$10,000. If the practices are scheduled to be completed during different FY's, the approvals may total more than \$10,000.

Note: The standard approval letter in Exhibit 8 warns applicants who have been approved for 2 practices that their payments will be limited to \$10,000 if they seek both payments in the same FY.

493-501 (Reserved)

Section 2 Other General Provisions

502 Overview

A

Introduction

This section covers miscellaneous SIP provisions.

503 **Successors-in-Interest**

A
Successors-in-Interest Before Payment

Service Foresters shall notify County ASCS Offices when a participant has started a practice and then discontinues operations, sells the land, or dies before the practice is completed. That applicant or applicant's estate may be paid any C/S attributable to the participant when the practice is completed according to specifications.

Service Foresters shall provide County ASCS Offices with new landowner name, taxpayer ID, and percent share information when a landowner succeeds another either before or after payment is made.

B
Successors-in-Interest After Payment

Service Foresters may allow new owners of land to be become successors-in-interest to practices after payments have been made.

Service Foresters are responsible for enforcing practice maintenance requirements.

504 Handling Violations of SIP Provisions

A**Examples of Violations**

County ASCS Offices shall notify the Service Forester whenever they have reason to believe that program violations have occurred. Examples of SIP violations and abuses include the following:

- failure to maintain practices
 - actions defeating the purpose of SIP
 - depriving others of C/S
 - filing false claims
 - knowingly exceeding the maximum payment limitation
 - providing false eligibility information.
-

B**Handling Violations**

If it is suspected that any SIP provisions have been violated, ASCS shall report the case to the Service Forester, and OIG, if required by OIG.

- Do not make or permit any revision to the entries on any official form or other document involved in the case, unless required and documented in writing by the Service Forester.
 - It is the Service Forester's responsibility to determine whether violations have occurred and seek and obtain any refunds or penalties that may be due.
 - The Service Forester shall follow the refund procedure outlined in paragraph 59 when a violation of SIP provisions is determined to have occurred.
-

505 Policy for Spot Checks

A
Responsibility

Service Foresters shall make spot checks of practices carried out in past years to determine whether the practices are being maintained. ASCS employees shall **not** make spot checks for SIP practices.

County ASCS Offices shall make copies of aerial photographs, slides, or other maps available to Service Foresters, as requested, at the Service Foresters' expense to aid their spot-check process. Service Foresters should check the acreage on photographs, slides, or maps before the spot check is performed.

Service Foresters shall contact landowners to schedule inspections of practices.

B
Number of Spot Checks

No specific number of spot checks is required. Service Foresters shall:

- check enough prior year practices to ensure that practices are being properly maintained
 - establish in the annual State SIP plan the frequency and percentage of compliance spot checks anticipated in the State
 - document compliance spot checks and keep this documentation in the landowner's file.
-

506 Failure to Maintain Prior Year Practices

**A
Service Foresters
Responsibilities**

Service Foresters shall make determinations regarding the maintenance of SIP practices and for establishing any needed claims and retrieving any C/S monies paid.

When the Service Forester determines that a landowner or successor has failed to maintain the practice for the required maintenance period, the Service Forester shall follow the refund procedure outlined in paragraph 59.

WHEN the practice is...	THEN a...
totally destroyed or no longer functional	full refund shall be secured.
partially destroyed or partially rendered nonfunctional	proration, as determined necessary by the Service Forester, of C/S payment shall be secured.

**B
Not County
ASCS Offices
Responsibility**

County ASCS Offices shall **not**:

- make any determinations or take any actions to handle SIP practices that are not properly maintained
- notify participants who may be in violation of program provisions
- handle refunds that are collected by the Service Forester for any reason
- apply any refunds collected by the Service Forester back to the ledger. These funds will be returned to FS at the national level and will be reallocated during the next FY.

Continued on the next page

506 Failure to Maintain Prior Year Practices (Continued)

C

When Failure Is Beyond Landowner's Control

Where practices are destroyed or impaired because of unforeseen natural events beyond the landowner's control, the Service Forester shall not initiate refund of C/S payments.

Important: The Service Forester shall document the circumstances justifying that the damage was not because of action taken or failure to take action on the part of the landowner.

In this event, the Service Forester may approve C/S to re-establish the destroyed practice whereby a new required maintenance period is established.

507 Handling Reviews of a Determination

A

***--Determination
of Reviews**

A participant may seek review of any individual program determination.--*

Continued on the next page

507 Handling Reviews of a Determination (Continued)

B**Filing Reviews**

Any participant may obtain review of a determination made by a Service Forester by filing a written request with the State Forester, with a copy to the Service Forester, postmarked within 10 calendar days after receiving the initial determination.

Exception: See subparagraph E regarding untimely reviews.

The request for review must contain the following information:

- the name, address, and telephone number of the landowner
 - a statement of the facts of the case including reasons why the initial determination was not proper, violations of applicable program regulations, and, if applicable, why the Service Forester failed to consider all the facts for the initial determination
 - the name and address of any known parties who may be adversely affected by the determination.
-

C**Processing
Reviews by State
Forester**

The Service Forester shall forward all pertinent documentation to the State Forester, with a copy to the landowner, within 5 workdays after receiving a request for review.

The State Forester will review and issue a review of the determination within 30 calendar days after receiving the pertinent documentation from the Service Forester.

Important: A reviewing officer may request additional information deemed pertinent to the case. If additional information is requested, the reviewing officer may make a reasonable delay in the process to receive and review this information. Generally, this delay shall not exceed 30 calendar days.

Any other person known to be adversely affected by the review determination shall be forwarded a copy of the review determination.

Continued on the next page

507 Handling Reviews of a Determination (Continued)

**D
Processing
Reviews by
Regional
Forester**

A second level review may be obtained by filing a request for a second level review with the appropriate Regional Forester. The request must be in writing, with a copy to the State Forester, and must include the name, address, and telephone number of the landowner and case number assigned to the first level review. The second level review must be postmarked within 10 calendar days after receiving the State Forester's initial determination.

Within 5 workdays after receiving a request for a second level review, the State Forester shall forward all pertinent documentation to the Regional Forester.

The Regional Forester shall review and issue a determination on the second level review within 30 calendar days after receiving the pertinent documentation from the State Forester.

Important: A reviewing officer may request additional information deemed pertinent to the case. If additional information is requested, the reviewing officer may make a reasonable delay in the process to receive and review this information. Generally, this delay shall not exceed 30 calendar days.

Any other person known to be adversely affected by the review determination shall be forwarded a copy of the review determination.

Continued on the next page

507 Handling Reviews of a Determination (Continued)

**E
Determinations
by Reviewing
Officers**

Reviewing officers may make the following determinations:

- affirm the initial determination of the Service Forester
 - modify the initial determination of the Service Forester
 - reverse the initial determination of the Service Forester
 - remand the initial determination to the Service Forester for further consideration with specific instruction
 - dismiss the request for review if:
 - the request for review is not filed within the 10-day timeframe
 - the requested change or relief cannot be granted under law, fact, or regulation
 - the request for review lacks adequate information on which to base a decision
- * * *
- the landowner withdraws the request for review.

An untimely request for review may be acted upon if the reviewing officer feels the circumstances warrant action. If the reviewing officer does not accept an untimely request for review, his or her decision is not subject to further review and that determination stands as the final determination of the State Forester or Regional Forester.

Continued on the next page

507 **Handling Reviews of a Determination (Continued)**

**F
Other
Miscellaneous
Review
Provisions**

When a due date for filing a request for review or issuing a determination on a review ends on a Saturday, Sunday, legal holiday, or other day when the reviewing officer's office is closed, the due date shall be extended until the close of business on the next business day.

Representatives of FS, the State Forestry, and FSA may correct:

- all data entry errors on program contracts and other program documents
- the results of computations or calculations made under the contract or agreement.

Note: FSA shall only make corrections when authorized by the State Forester or Service Forester.

***--G
Conflict of
Interest**

Representatives of FS, State Forestry, FSA, and SSCC shall take appropriate actions to refrain from involvement in matters which could result in conflict of interest or the appearance of conflict of interest when making program or applicant determinations.

If conditions warrant, individuals should avoid or disqualify themselves from the relevant discussions or deliberations contributing to the conflict, and appropriate documentation of this occurrence retained in the official record of such determinations.--*

508 Making SIP Recommendations

A
SIP
Recommendation
From Service
Foresters

Service Foresters in consultation with other agencies, organizations, and landowners will have the opportunity to submit their recommendations for:

- changes in State and national SIP policy
 - changes in SIP practices
 - special practices.
-

B
Submitting
Recommendation

Service Foresters must submit their recommendations to the State Forester by August 1 to be considered for next year's program.

C
State Forester
Review of County
Recommendation

The State Forester will review the county recommendations with SSCC. SSCC shall:

- review and evaluate the summarized county recommendations
 - select county recommendations and develop additional recommendations to submit to Regional Forester for consideration, including special practice needs
 - assign technical responsibility for practices.
-

Continued on the next page

508 Making SIP Recommendations (Continued)

D**State Forester
Action on
Recommendations**

Submit program recommendations to the Regional Forester or Area Director by September 1. Provide the following information:

- State
 - FY
 - program - SIP
 - type of recommendation:
 - program policy
 - program practice, technical components
 - recommendation
 - justification
 - cost data.
-

E**State Forester
Action on Special
Practice**

Submit special practice requests to Regional Forester or Area Director by September 1. Provide the following information:

- State
 - FY
 - special practice description
 - describe the nature, extent, and severity of the situation that the proposed practice shall address
 - describe how the proposed practice will resolve the situation and include any results of recent studies or tests
 - attach practice writeup, proposed C/S, and additional documentation to the memorandum.
-

508 Making SIP Recommendations (Continued)

F
Regional
Forester and
Area Director
Action

--The Forest Service Regional Forester reviews requests submitted by State Forester for special practices and recommended changes in policy and practices. The Regional Coordinator submits recommendations to the program management team at the annual meeting. The team submits its recommendations to the NASF Resource Committee for review. The NASF committee recommends program practices and revisions to Director, Cooperative Forestry for approval.--

G
National FS
Office Action

The National FS Office shall take the following action on submitted special practice requests and program recommendations.

Step	Action
1	Act on special practice requests and program recommendations by February 1.
2	Notify Regions and Area Director of changes that were approved, disapproved, or that are still being worked on.
3	Make necessary handbook and CRES systems changes.

509-522 (Reserved)

Part 9 Reports

523 Overview

A

In This Part

The following sections are included in this part.

Section	Title
1	Automated Management Reports and Annual Statistics
2	Monthly Progress Reports and FY-End Close

Section 1 Automated Management Reports and Annual Statistics

524 Automated Reports

**A
Handling
Automated
Reports**

All automated reports, including ledger reports, are handled according to 1-CONSV unless otherwise stated in this handbook.

525 Quarterly and FY-End Reconciliations

**A
Reconciliation
Requirements**

Follow 1-CONSV, Part 11 to complete:

- monthly reconciliations
 - quarterly reconciliations
 - FY-end reconciliations.
-

526 **Transmitting Statistics**

A

AD-862 Used for Data Collection

Statistics for performance data will be transmitted after completion of each practice. AD-862 will be used to collect the actual data for each practice for transmission to State CFSA Offices and KCMO. See 1-CONSV and DM-9500-1.

State and County CFSA Offices must transmit AD-862 data according to 1-CONSV.

B

SIP Practice Components

A SIP practice component can be authorized under more than 1 program practice. See Exhibit 45 for a complete list of practice
--components available under SIP practices 1 through 9.--

C

SIP Technical Practice Codes

See Exhibit 46 for:

- a list of eligible SIP practices components
 - the eligible technical practice codes authorized for SIP practices 1
--through 9.--
-

527 Recording Statistics

A

**KCMO Will
Compile Data**

KCMO will compile and record the performance data throughout FY. From this data, KCMO shall provide SED's and FS SIP Statistical Reports (CEP-11R's). CEP-11R will include:

- an alphabetical summary by counties
- a summary of each practice
- a State summary.

Note: The summaries will be made on a FY basis.

528-536 (Reserved)

)

Section 2 Monthly Progress Reports and FY-End Close

537 Monthly Progress Report (ACP-305)

A

**Preparation and
Transmission**

Follow 1-CONSV:

- to complete preliminary preparation for ACP-305
 - to print and queue ACP-305 for State and County ASCS Offices
 - for SED's review of monthly progress reports
 - for DD's review of monthly progress reports.
-

B

Distribution

State ASCS Offices shall provide a copy of the SIP Progress Report (CEP-46R) to the State Forester.

538 FY Closeout

A
Complete
Current FY
Activity

Follow 1-CONSV, Part 12 to ensure that:

- all current FY activity is completed and ledger reports are printed before rollover
- FY rollover is completed on the first workday of the new FY.

Note: The system will automatically rollover the ledger balances from the previous FY.

Reports, Forms, Abbreviations, and Delegations of Authority

Reports

This table lists all required reports of this handbook.

Reports Control Number	Title	Reporting Period	Submission Date	Negative Reports	Reference
CEP-11R	SIP Statistical Report	Annually	County Offices, 11-7 State Offices, 11-30	Not required	527
CEP-46R (ACP-305)	SIP Progress Report	Monthly	County FSA Offices, 1st workday of the month; State FSA Offices, 5th workday of the month	Not required	537
CEP-50R	Cost-Share Requests Status Report	Monthly	County FSA Offices, 1st workday of the month; State FSA Offices, 5th workday of the month	Not required	527

Continued on the next page

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
ACP-259B	State Office Summarization Sheet		52
ACP-305	Monthly Progress Report		537
AD-245	Request for Cost-Shares	Ex. 22, 23	Text, Ex. 4, 10, 14
AD-672	Reimbursement or Advance of Funds Agreement		Ex. 4
AD-742	Transfer and Adjustment Voucher		Ex. 4
AD-862	Conservation Reporting and Evaluation System		Text
AD-1026	Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification (Includes Appendix)		4
CCC-36	Assignment of Payment		5, 150
CCC-502	Farm Operating Plan for Payment Eligibility Review		Text
FSA-211	Power of Attorney		150
FSA-604	Debt Register		355

Continued on the next page

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

**Forms
(Continued)**

Number	Title	Display Reference	Reference
SF-1199A	Direct Deposit Sign-Up Form		147, 166, 264, 401, 428
SIP-36	SIP Assignment of Payment	Ex. 18	5, 150, 346
SIP-211	SIP Power of Attorney	Ex. 17	150
SIP-211-1	SIP Power of Attorney for Husband and Wife	Ex. 17.5	150
SIP-357	SIP State Program Allocation		52, 53, Ex. 4
SIP-502	Stewardship Incentive Program Payment Limitation Review	Ex. 16	Text
SIP-1099-G	Report of Producer SIP Payments		408

Continued on the next page

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Abbreviations This table lists all abbreviations used in this handbook.

Approved Abbreviation	Term	Reference
ACH	automated clearinghouse	400-402
BIA	Bureau of Indian Affairs	98
BMP	best management practice	Ex. 14, 45, 46
BUD	Budget Division	52
C/S	cost-share	Text, Ex. 2, 14, 22
CCC	Commodity Credit Corporation	401
CCRG	County Conservation Review Group	32
CED	County Executive Director, FSA	Text, Ex. 22
CEPD	Conservation and Environmental Protection Division	52, 58
COC	County Committee, FSA	32, 163
CRES	Conservation Reporting and Evaluation System	5, 19
CSREES	Cooperative, State, Research, Education, and Extension Service	19
DAFP	Deputy Administrator, Farm Programs	1, 6
DCB	Disbursements Control Branch	402, 403
DCIA	Debt Collection Improvement Act of 1996	401
DD	District Director	56, 537
DM	departmental manual	5, 19, 163, 164, 526
EFT	electronic funds transfer	163, 398, 401

Continued on the next page

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

**Abbreviations
(Continued)**

Approved Abbreviation	Term	Reference
FIP	Forestry Incentives Program	3, 110, Ex. 2
FS	Forest Service	Text, Ex. 4, 14, 22
FSA	Farm Service Agency	Text
FSP	Forest Stewardship Program	Text
FTS	Federal Telecommunications System	402
FWS	Fish and Wildlife Service, Department of Interior	Ex. 14
FY	fiscal year	Text
ID	identification	Text, Ex. 8, 16
IRS	Internal Revenue Service	333, 357, 399, 406, 408
KCMO	Kansas City Management Office	Text
LFSP	Landowner Forest Stewardship Plan	19, 99, 109, 111, 147, Ex. 2, 14
LTA	long-term agreement	4
MICR	magnetic ink character recognition	404
N/A	not applicable	Ex. 22
NIPF	nonindustrial private forest land	97, 98, 110, 111, 151, Ex. 2, 4, 14, 22
NRCS	Natural Resources Conservation Service	19, 36
NTE	not-to-exceed (payment rate)	Text

 Continued on the next page

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Abbreviations
(Continued)

Approved Abbreviation	Term	Reference
OIG	Office of the Inspector General	504
PRM	Professional Resource Manager	Text, Ex. 2, 14
SCFOD	State and County Financial Operations Division	402, 403
SCRG	State Conservation Review Group	32
SED	State Executive Director, FSA	52, 147, 537
SIP	Stewardship Incentive Program	Text and Exhibits
SSCC	State Stewardship Coordinating Committee	18, 19, 35, 507, 508
STC	State Committee, FSA	32
U.S.	United States	Ex. 8, 9, 10, 26
USDA	United States Department of Agriculture	36, 59 Ex. 14

Redelegations
of Authority

This table lists redelegations of authority in this handbook.

Redelegation	Reference
CED's may redelegate all or part of their responsibilities listed in subparagraph 19 E.	19

Definitions of Terms Used in This Handbook

Applicant

An applicant is an eligible person who requests cost-sharing for a practice or who contributes to the cost of performing the practice.

**Application
Batching Period**

An application batching period is the time period established by the State Forester during which ASCS will accumulate and batch applications for subsequent approval determination by the Service Forester. See subparagraph 147 C.

**Cost-Share (C/S)
Level**

Cost-share (C/S) level is the percent of total cost. For example, the maximum C/S level for SIP is 75 percent of the total cost.

Fiscal Year (FY)

Fiscal year (FY) for the Federal Government is October 1 through September 30.

Landowner

A landowner is any individual, joint operation, group, association, corporation, partnership, American Indian or Alaska Native, or other private legal entity, and **each** individual member of these organizations and lessees of Government land in Hawaii, Guam, and the Northern Mariana Islands who have sufficient land rights to carry out practice maintenance requirements.

Continued on the next page

Definitions of Terms Used in This Handbook, *Continued*

Landowner Forest Stewardship Plan (LFSP)

Landowner forest stewardship plan (LFSP) is an integrated forest resource management plan that is compatible with the objectives of the landowner and that considers alternatives and describes actions to protect, maintain, manage, and enhance, as appropriate, soil; water; range; aesthetics; fish, wildlife; recreation; timber; archeological, cultural, and historic sites; wetlands; and threatened and endangered species.

Nonindustrial Private Forest Land (NIPF)

Nonindustrial private forest land (NIPF) is rural lands with existing tree cover and other lands including cropland, pastureland, surface mined lands, and nonstocked forest land that are scheduled for conversion to a SIP practice. This includes land at least 10 percent stocked by forest trees of any size, including land that formerly had tree cover and that will be naturally or artificially regenerated. Forest land includes transition zones, such as ears between heavily forested and nonforested lands that are at least 10 percent stocked with forest trees and forest areas adjacent to urban and built-up lands. Also included are pinyon-juniper and chaparral areas in the West and afforested areas. The minimum area for classification of forest land is 1 acre. Roadside, streamside, and shelterbelt strips of timber must have a crown width of at least 120 feet to qualify as forest land. Unimproved roads and trails, streams, and clearings in forest areas are classified as forest if they are less than 120 feet wide.

Note: There is no productivity requirement for NIPF as defined for SIP as there is for FIP. See subparagraph 110 D.

Ownership (Eligible Forest Land)

Ownership (eligible forest land) is land eligible for SIP and owned by an eligible landowner.

Participant

A participant is an approved applicant who actually implements the SIP practice.

Continued on the next page

Definitions of Terms Used in This Handbook, *Continued*

Professional Resource Manager (PRM)

A Professional Resource Manager (PRM) is a professional employed in the field of natural resource management and is a representative of the State forestry agency, other public, quasi-public, or private agency or organization and designated by the State Forester to perform any or all of the technical assistance functions outlined in subparagraph 19 E.

Restricted Allotment

A restricted allotment is land owned in fee by an individual Indian subject to restrictions reserved by the United States Government.

Service Forester

The Service Forester is an employee of the State Forester who is delegated the authority by the State Forester to perform any of the functions outlined in subparagraph 19 D. If none of this authority is delegated, the State Forester shall keep this authority.

Tribal Assignment

Tribal assignment is the allowance, by an authorization of the tribe, for an Indian to use a portion of tribal communal land.

Tribal Trust Land

Tribal trust land is land set aside for Indians, whether by treaty, statute, or executive order, the title for which is held by the United States (trustee). Tribal property is a form of ownership in common, held on behalf of all living members of a tribe. The tribe is the beneficiary of the trust status title.

Trust Allotment

A trust allotment is a parcel of land that has been transferred from tribal use to individual Indian or multiple Indians' use. Title to the allotment is held in trust by the United States.

Menu and Screen Index

The following menus and screens are displayed in this handbook.

Menu or Screen	Title	Reference
EUA05000	Disbursement Screen	427, 432
EUA05010	Disbursement Screen	428
EUA05020	Setoff Assignment Screen	429
EUA05025	Setoff Assignment Screen	430
EUA05030	Setoff Assignment Screen	431

Interagency Agreement Between FS and ASCS

Section 1 - Introduction

1.1 Purpose

This Interagency Agreement (IA) is made and entered into by the USDA Forest Service (FS), and the USDA Agricultural Stabilization and Conservation Service (ASCS) to establish a cooperative working relationship to carry out the Stewardship Incentive Program (SIP).

1.2 Authority

This IA is entered into under the provisions of the Economy Act, as amended.

1.3 Background

The Secretary of Agriculture is authorized by the Cooperative Forestry Assistance Act of 1978, as amended the Food Agriculture Conservation, and Trade Act of 1990 (the 1990 Act), to establish a Stewardship Incentive Program to encourage long-term management of nonindustrial private forest lands (NIPF).

The SIP is intended to provide cost-share assistance to eligible landowners to encourage the establishment of approved forest and related resource practices on NIPF. Landowners may receive up to 75 percent cost-sharing to install approved practices to: establish windbreaks and shelterbelts; manage forests for conservation and commercial timber production; protect forested wetlands; improve water quality; enhance fish and wildlife habitat; and develop opportunities for outdoor recreation.

The ASCS will assist the FS with implementation and administration of SIP because of its extensive county infrastructure. This includes collecting participant program information and arranging for payments, drawn on FS funds, to be sent to participants.

Continued on the next page

Interagency Agreement Between FS and ASCS, *Continued*

Section 2 - Responsibilities

2.1 FS shall:

1. Administer the SIP through State Foresters in consultation with the State Forest Stewardship Coordinating Committee. The State Forester may delegate responsibility as necessary to administer the Program.
2. Prepare overall Program regulations, policies and procedures and coordinate these with ASCS and other agencies as appropriate.
3. Through State Foresters, provide ASCS with the cost-share levels to be applied to program practices and provide ASCS with the flat-rate costs of reimbursement for practice components to be used in the calculation of payments to SIP participants.
4. Through State Foresters:
 - establish minimum practice standards
 - make landowner eligibility determinations
 - prioritize all applications
 - approve landowners for cost-share payment by approving form, SIP-245, which shall serve as the contract between the landowner and the Federal government
 - develop total practice cost-share payment estimates
 - certify adequate performance of practice installation, and determine the extent to which practices were performed
 - approve cost-share payments to landowners after landowner performance
 - direct ASCS regarding the control and distribution of cost-share allocations from the State to the county level
 - handle all appeals
 - handle all overdisbursements, program violations, claims and refunds.
 - provide natural resource information on the Program practices which will be used to compile statistical data.
5. Direct ASCS regarding the control and distribution of cost-share allocations from the National to the State level.
6. Arrange for payment of interest on late payments to landowners according to Prompt Payment provisions.
7. Reimburse ASCS for actual costs incurred in performing the duties assigned to it under this agreement.
8. Coordinate all Program public information and education efforts.

Continued on the next page

Interagency Agreement Between FS and ASCS, *Continued*

2.2 ASCS shall:

1. Establish farm and tract records and name and address records where such records have not previously been established.
2. Provide to FS preliminary eligibility information from ASCS records based on eligibility criteria set by FS.
3. On behalf of FS, notify applicants in writing of FS determinations regarding program eligibility.
4. Provide SIP applications received from producers to FS for prioritization and approval.
5. In accordance with this IA, as directed by FS through the State Foresters:
 - Distribute cost-share allocations from the National to the State level on state program allocation form SIP-357.
 - Distribute cost-share allocations from the State to the county level.
 - Develop total net payment amounts based on flat-rate costs provided by FS, by reducing the total cost-share covered by any assignments or set offs.
6. Manage ledgers at the county level and periodically notify FS of the allocation balance that remains available for application approval.
7. Transmit payment information with respect to payments to be disbursed to approved landowners to the Kansas City Treasury Regional Disbursing Office. Disbursements will be charged to Treasury Fund Symbol 12X1105.
8. Reduce landowner payments for authorized setoffs and assignments in the following order of precedence:
 - Setoffs of debts due Forest Service.
 - Setoffs of debts due Commodity Credit Corporation and ASCS.
 - Setoffs of other Government Agency debts and assignments prioritized by the date documents were filed in the ASCS county office.
9. Provide annual 1099-G data to landowners and the Internal Revenue Service for tax reporting requirements.

Continued on the next page

Interagency Agreement Between FS and ASCS, *Continued*

10. Provide monthly accounting data to FS, Washington, DC.

11. Monitor payment limitation to the following extent:

- No SIP payments will be made in excess of \$10,000.
- Provide FS with a monthly report listing landowners receiving SIP payments in excess of \$10,000 per fiscal year.
- Provide FS with an annual report listing landowners and entities receiving SIP payments in excess of \$10,000 per fiscal year, based on comparison to ASCS's Permitted Entity File.

12. Compile statistical data on Program practices through the Conservation Reporting and Evaluation System and provide the following periodic reports:

- Monthly SIP progress Report
- Annual SIP Statistical Summary
- Quarterly CRES Detail Data by Primary Purpose (Tables 4A-4D)

13. Promote the program with county newsletters and other available methods.

14. Submit an AD-742 billing to FS each fiscal year to the Director, Fiscal and Public Safety, FS for all additional ASCS administrative costs incurred in performing the duties assigned to it under this agreement.

Section 3 - Parties Mutually Agree

3.1 Provisions

1. FS and ASCS will enter annually into a National level Reimbursable Agreement (AD-672) based on this Interagency Agreement and any amendments hereto, subject to the availability of funds as appropriated by Congress.

2. A summary of the estimated costs incurred by ASCS will be presented with each year's Reimbursable Agreement. In addition, a summary of actual expenditures will be presented biannually, so that SIP program allocations may be adjusted.

-In any given six-month period, where actual costs are expected to exceed more than 110 percent of the estimated reimbursement, FS shall be notified of the cost amount

-Expenditures incurred during the normal administration of existing ASCS programs which indirectly benefit SIP will be reimbursed at a proportional rate commensurate with SIP benefits.

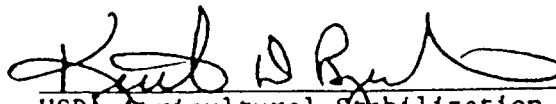
Continued on the next page

Interagency Agreement Between FS and ASCS, *Continued*

3. This IA may be modified or amended upon written request of one party and the concurrence of the other. The IA may be terminated with 90-day written notice of either party.

IN WITNESS WHEREOF, the parties hereto have executed this IA as of the last written date below.

 10/22/91
Date
USDA Forest Service
F. Dale Robertson
Chief

 10-25-91
Date
USDA Agricultural Stabilization
and Conservation Service
Keith D. Bjerke
Administrator

Practice Approval Letter Example

(Enter applicant's
name and address)

Stewardship Incentive Program

Date: _____

Dear Landowner:

Your request for cost-sharing from the U.S. Forest Service Stewardship Incentive Program (SIP) has been approved by the (Enter State name) State Forester's local office. The attached SIP-245, page 2 lists the program practice, practice components, and the extent of the components for which you were approved.

Please note the practice expiration date set by the State Forester's local office on this form. To be eligible for cost-sharing you must (1) complete this practice, (2) fill in blocks X and Y, (3) sign and date this form (Note: Block G will be completed by the State Forester's local office after a site review for practice certification), and (4) return this completed form and copies of all practice cost documents, such as receipts, invoices, canceled checks, and labor reports to the State Forester's local office by the expiration date. **Do not return this form or cost documents to ASCS.**

In addition to the steps listed above, landowners who implement SIP practices with contributions or help provided by contributors other than those originally approved, must list the contributors, their contributions, their taxpayer ID numbers, and the proportion of the total cost of the practice that each contribution represents.

The State Forester's local office address and telephone number are:

(Enter name, job title, mailing address, and telephone number of the Service Forester designated as the county contact point.)

If you decide not to implement this practice, please notify the State Forester's local office shown above as soon possible.

If you decide to implement this practice, make sure that you are following the practice requirements as outlined in a Landowner Forest Stewardship Plan. Contact your State Forester's local office for details about the implementation requirements for your practice.

Payments for landowners who are approved for more than 1 practice who seek cost-share payments for both practices during the same fiscal year will be limited by the \$10,000 per landowner per fiscal year payment limitation.

On behalf of the State Forester

County Executive Director

This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or handicap.

Deferral Letter Example

(Enter applicant's
name and address)

Stewardship Incentive Program

Date: _____

Dear Landowner:

Your request for cost-sharing from the U.S. Forest Service Stewardship Incentive Program has been deferred by the (Enter State name) State Forester's local office for possible future consideration because of the current priority or funding conditions in the county.

This request will be either approved or disapproved by the State Forester's local office during an upcoming application batching period.

If you wish to cancel this request, please contact the State Forester's local office at:

(Enter **Service** Forester's name, job title, mailing address, and telephone number.)

On behalf of the State Forester

County Executive Director

This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or handicap.

Expiring Practice Notification Letter Example

(Enter applicant's
name and address)

Stewardship Incentive Program
Date: _____

Dear Landowner:

Records maintained by ASCS show that the U.S. Forest Service Stewardship Incentive Program (SIP) practice for which you were approved has not been completed as of the date of this letter.

Because the practice expiration date for this practice is (Enter MM/DD/YY), it is imperative that you do either of the following to remain eligible for cost-sharing:

- complete this practice and notify the (Enter State name) State Forester's local office by the expiration date
- have the practice expiration date extended by the State Forester's local office.

If you have decided not to implement this practice, please notify the State Forester's local office as soon as possible. The address and telephone number of the State Forester's local office are:

(Enter the name, job title, mailing address, and telephone number of the Service Forester designated as the county contact point.)

If you have recently completed this practice and submitted your completed SIP-245, page 2 to the (Enter State name) State Forester's local office, please ignore this letter.

On behalf of the State Forester

County Executive Director

This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or handicap.

***** Disapproval Letter Example**

(Enter applicant's
name and address)

Stewardship Incentive Program

Date: _____

Dear Landowner:

Your request for cost-sharing from the U.S. Forest Service Stewardship Incentive Program (SIP) has been disapproved by the (Enter State name) State Forester's local office.

--If you believe that this determination was made incorrectly, you may file a written review directly to the State Forester with a copy to your local Service Forester. All reviews-- regarding this ineligible/disapproval determination must be postmarked within 10 calendar days of the date of this letter. **Do not contact ASCS regarding this request for cost-share.**

The State Forester can be contacted at:

(Enter **State** Forester's name, mailing address, and telephone number.

Important: County ASCS Offices should be careful **not** to enter address and telephone number information for the **Service** Forester on this letter.)

On behalf of the State Forester

County Executive Director

This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or handicap.

SIP Practices Eligible for C/S

1 SIP1, Landowner Forest Stewardship Plan Development

A

Purpose

The purpose of this practice is to:

- document NIPF landowner objectives, management decisions, and recommended resource management practices.
 - provide NIPF landowners with a multidisciplinary, action-oriented land management plan.
-

B

Program Policy

Apply this practice to forest land with existing tree cover or other rural lands suitable for conversion to program practices.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

1 SIP1, Landowner Forest Stewardship Plan Development, *Continued*

C

C/S Policy

The following table provides C/S policies for this practice.

IF the component is...	AND the justification is...	THEN C/S is...
<ul style="list-style-type: none">• a new forest stewardship plan• the revision of a current land management plan	<ul style="list-style-type: none">• responsive to landowner objectives• action and multiresources oriented multidisciplinary in scope• developed by PRM	authorized.
the revision of a forest stewardship plan		not authorized

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

1 SIP1, Landowner Forest Stewardship Plan Development, *Continued*

D

**Other C/S
Requirements**

The following requirements are necessary in implementing this practice.

- The plan shall consider long-term management of:
 - forest health
 - soil interpretation
 - water
 - range
 - timber
 - aesthetic quality
 - riparian and wetlands
 - wildlife and fish habitat
 - forest recreation
 - threatened and endangered plant and animal species
 - historic, cultural, and archeological sites.
- The plan shall emphasize biological, environmental, and economic management principles.

E

**Program
Development**

State practices must specify the eligible measures and requirements upon which cost-sharing will be authorized.

Technical specifications may be incorporated by reference.

F

**Technical
Responsibility**

Technical responsibility is assigned to FS unless otherwise delegated at the State level.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

2 SIP2, Reforestation and Afforestation

A

Purpose

The purpose of this practice is to:

- establish a stand of forest trees for conservation purposes and timber production
 - *--sequester carbon
 - maintain newly established trees for up to 4 years
 - provide environmental benefits over the long term.--*
-

B

Program Policy

Apply this practice to rural lands suitable for growing trees.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

2 SIP2, Reforestation and Afforestation, *Continued*

C

C/S Policy

The following table provides C/S policies for this practice.

IF the component is...	AND the justification is...	THEN C/S is...
<ul style="list-style-type: none"> • plant material purchase and installation • site preparation • prescribed burning 	<p>that the component is only needed when it is essential to permit planting, direct seeding, or natural regeneration of desirable species</p>	<p>authorized.</p>
<ul style="list-style-type: none"> • control of competition and other undesirable species • tree shelters • weed barriers or mulch • animal repellents • fertilizer • fencing 	<ul style="list-style-type: none"> • to enhance seedling survival and growth • for protection from fire, wildlife, livestock, and other pests 	<p>authorized.</p>
<p>the purchase or establishment of plant materials</p>	<ul style="list-style-type: none"> • for orchard production • for ornamental or nursery production • for Christmas tree production • for entities principally engaged in the primary processing of forest products 	<p>not authorized.</p>

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

2 SIP2, Reforestation and Afforestation, *Continued*

C
C/S Policy,
Continued

IF the component is...	AND the justification is...	THEN C/S is...
practices that impair soil productivity		not authorized.
repeated prescribed burning on the same acreage		not authorized. Exception: Authorized if in PRM's judgment the treatment requires this practice.
<ul style="list-style-type: none"> • firebreaks • gates •*--boundary line fence--* 		not authorized.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

2 SIP2, Reforestation and Afforestation, *Continued*

D

Other C/S Requirements

The following requirements are necessary in implementing this practice.

- LFSP is required to be eligible for cost-sharing.
- The area must be protected from destructive fire and destructive grazing.
- Chemicals used in performing this practice must be:
 - federally, State, and locally registered
 - applied according to authorized registered uses, directions on the label, and other Federal or State policies and requirements.
- The practice must be maintained for at least 10 years after establishment.
- Prescribed burning will be performed according to State and local laws and regulations.
- Fencing will be eligible for C/S where it is determined that the primary purpose of this practice will not be achieved if it is not protected by a fence or where fencing as a "stand alone" component will result in the natural regeneration of trees.

--Maintenance components authorized for 1 to 4 years to assure survival of trees do not include "repair" activities, such as fence maintenance or irrigation system maintenance.--

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

2 SIP2, Reforestation and Afforestation, *Continued*

E

**Program
Development**

State practices must specify the eligible measures and requirements upon which cost-sharing will be authorized.

Technical specifications may be incorporated by reference.

F

**Technical
Responsibility**

Technical responsibility is assigned to FS unless otherwise delegated at the State level.

3 SIP3, Forest Improvement

A

Purpose

The purpose of this practice is to:

- increase tree growth and quality
 - improve stand vigor and forest health.
-

B

Program Policy

Apply this practice to forest land with existing tree cover.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

3 SIP3, Forest Improvement, *Continued*

C
C/S Policy

The following table provides C/S policies for this practice.

IF the component is...	AND the justification is...	THEN C/S is...
<ul style="list-style-type: none"> • prescribed burning • control of competition and undesirable species • tree shelters • weed barriers or mulch 	<p>to improve species composition and timber quality, enhance forest health, and other resource objectives that require manipulation of the existing stand of trees</p>	<p>authorized.</p>
<p>repeated prescribed burning on the same acreage</p>		<p>not authorized.</p> <p>Exception: Authorized if in PRM's judgment the treatment requires this practice.</p>
<ul style="list-style-type: none"> • improvement of orchard, ornamental, nursery, or Christmas trees • improvement of stands owned by entities principally engaged in the primary processing of forest products <p style="margin-left: 20px;">* * *</p> <ul style="list-style-type: none"> •*-- boundary line fences--* • gates 		<p>not authorized.</p>

SIP Practices Eligible for C/S, *Continued*

3 SIP3, Forest Improvement, *Continued*

- D*
Other C/S Requirements
- The following requirements are necessary in implementing this practice.
- LFSP is required to be eligible for cost-sharing.
 - The area must be protected from destructive fire and destructive grazing.
 - Chemicals used in performing this practice must be:
 - federally, State, and locally registered
 - applied according to authorized registered uses, directions on the label, and other Federal or State policies and requirements.
 - The practice must be maintained for at least 10 years after establishment.
 - Prescribed burning will be performed according to State and local laws and regulations.
 - Fencing will be eligible for C/S **only** where it is determined that the primary purpose of this practice will not be achieved if it is not protected by a fence. Fencing is not authorized as a "stand alone" component.

E
Program Development

State practices must specify the eligible measures and requirements upon which cost-sharing will be authorized.

Technical specifications may be incorporated by reference.

F
Technical Responsibility

Technical responsibility is assigned to FS unless otherwise delegated at the State level.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

4 SIP4, Agroforestry Establishment, Maintenance, and Renovation

A

Purpose

The purpose of this practice is to:

- establish linear plantings of windbreaks, hedgerows, living snow fences, livestock shelters, and alley cropping
 - maintain newly established windbreaks, hedgerows, living snow fences, livestock shelters, and alley cropping through irrigation for up to 4 years
 - renovate existing windbreaks, and hedgerows, living snow fences, livestock shelters, and alley cropping.
-

B

Program Policy

Apply this practice to rural lands suitable for growing trees.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

4 SIP4, Agroforestry Establishment, Maintenance, and Renovation, *Continued*

**C
C/S Policy**

The following table provides C/S policies for this practice.

IF the component is...	AND the justification is...	THEN C/S is...
<ul style="list-style-type: none"> • plant material purchase and installation • site preparation 	<p>that the component is only needed when it is essential to permit planting or direct seeding of desirable species</p>	<p>authorized.</p>
<ul style="list-style-type: none"> • the control of competition or undesirable species • tree shelters • weed barriers or mulch • animal repellents • fertilizer • fencing • irrigation 	<ul style="list-style-type: none"> • to enhance seedling survival and growth • for protection from wind, fire, wildlife, livestock, and other pests • to allow for snow retention and distribution 	
<ul style="list-style-type: none"> • noncommercial thinning • pruning 	<p>to renovate an existing windbreak, hedgerow, living snow fence, livestock shelter, and alley cropping</p>	

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

4 SIP4, Agroforestry Establishment, Maintenance, and Renovation, *Continued*

C
C/S Policy,
Continued

IF the component is...	AND the justification is...	THEN C/S is...
the purchase or establishment of plant materials	<ul style="list-style-type: none"> • for orchard production • for ornamental or nursery production • for Christmas tree production 	not authorized.
<ul style="list-style-type: none"> •*--boundary line fences--* • firebreaks • gates 		

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

4 SIP4, Agroforestry Establishment, Maintenance, and Renovation, *Continued*

- D*
Other C/S Requirements
- The following requirements are necessary in implementing this practice.
- LFSP is required to be eligible for cost-sharing.
 - The area must be protected from destructive fire and destructive grazing.
 - Chemicals used in performing this practice must be:
 - federally, State, and locally registered
 - applied according to authorized registered uses, directions on the label, and other Federal or State policies and requirements.
 - The practice must be maintained for at least 10 years after establishment.
 - Fencing will be eligible for C/S **only** where it is determined that the primary purpose of this practice will not be achieved if it is not protected by a fence. Fencing is not authorized as a "stand alone" component.
- *--Maintenance components authorized for 1 to 4 years to assure survival of trees do no include "repair" activities, such as fence maintenance or irrigation system maintenance.--*

E
Program Development

State practices must specify the eligible measures and requirements upon which cost-sharing will be authorized.

Technical specifications may be incorporated by reference.

F
Technical Responsibility

Technical responsibility is assigned to FS unless otherwise delegated at the State level.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

5 SIP5, Soil and Water Protection and Improvement

A

Purpose

The purpose of this practice is to:

- maintain or improve water quality on forest land
 - maintain soil productivity and control erosion on forest land
 - prevent pollution during forestry activities.
-

B

Program Policy

Apply this practice to forest land with existing tree cover, abandoned roads, trails, firebreaks, landings, and eroding and gullied forest land.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

5 SIP5, Soil and Water Protection and Improvement, *Continued*

C
C/S Policy

The following table provides C/S policies for this practice.

IF the component is...	AND the justification is...	THEN C/S is...
<ul style="list-style-type: none"> • plant material purchase and installation • site preparation • control of competition and undesirable species • tree shelters • weed barriers or mulch • animal repellents • fertilizer • BMP's for stream crossings and cross drainage on roads and trails • fencing • the design and layout of forest roads, stream crossings, drainage systems, and streamside management areas • riprap • gabions • controlling surface water through reshaping 	<ul style="list-style-type: none"> • to control erosion • to improve water quality • to close and rehabilitate abandoned roads, trails, firebreaks, landings, and control eroding and gullied forest land • to foster soil development • to prevent pollution during forest management activities 	<p>authorized.</p>
<ul style="list-style-type: none"> • road or trail construction or maintenance • boundary line fences* • gates 		<p>not authorized.</p>

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

5 SIP5, Soil and Water Protection and Improvement, *Continued*

D
**Other C/S
Requirements**

The following requirements are necessary in implementing this practice.

- LFSP is required to be eligible for cost-sharing.
- The area must be protected from destructive fire and destructive grazing.
- Chemicals used in performing this practice must be:
 - federally, State, and locally registered
 - applied according to authorized registered uses, directions on the label, and other Federal or State policies and requirements.
- The State-approved BMP's for stream crossings, cross drainage, and streamside management areas must be used as the standards for installation. Where States have not identified silviculture as a nonpoint source of pollution and do not have BMP's, they must adopt BMP standards for these components. States may want to use BMP's adopted by other States with similar conditions as a model.
- The practice must be maintained for at least 10 years after establishment.
- Fencing will be eligible for C/S **only** where it is determined that the primary purpose of this practice will not be achieved if it is not protected by a fence. Fencing is not authorized as a "stand alone" component.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

5 SIP5, Soil and Water Protection and Improvement, *Continued*

E

**Program
Development**

State practices must specify the eligible measures and requirements upon which cost-sharing will be authorized.

Technical specifications may be incorporated by reference.

F

**Technical
Responsibility**

Technical responsibility is assigned to FS unless otherwise delegated at the State level.

Continued on the next page

SIP Practices Eligible for C/S (Continued)

6 SIP6, Riparian and Wetland Protection and Improvement

A

Purpose

The purpose of this practice is to:

- protect, restore, and improve forested wetlands and riparian areas
 - reduce sedimentation
 - reduce streambank degradation
 - improve water quality
 - restore productivity
 - *--establish wetlands for fish and wildlife.--*
-

B

Program Policy

Apply this practice to forest land with existing tree cover or other rural lands capable of supporting forested wetlands or forested riparian areas.

Continued on the next page

SIP Practices Eligible for C/S (Continued)

6 SIP6, Riparian and Wetland Protection and Improvement (Continued)

C

C/S Policy

The following table provides C/S policies for this practice.

IF the component is...	AND the justification is...	THEN C/S is...
<ul style="list-style-type: none"> • plant material purchase and installation • site preparation • control of competition and other undesirable species • tree shelters • weed barriers or mulch • animal repellents • fertilizer •*--culverts--* • fencing • the restoration of natural hydrology • riprap • gabions • streambank stabilization 	<ul style="list-style-type: none"> • to establish a riparian forest buffer • to protect, restore, or manage forested wetland and riparian functions and values • to restore productive capability of wetland forests including timber, wildlife, and water resources • to improve water quality and fish habitat • to reduce streambank degradation 	<p>authorized.</p>
<ul style="list-style-type: none"> • one that would directly or indirectly result in the loss of wetlands • one that would impair wetland or riparian functions and values •*--boundary line fences--* • gates 		<p>not authorized.</p>

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

6 SIP6, Riparian and Wetland Protection and Improvement, *Continued*

D
Other C/S Requirements

The following requirements are necessary in implementing this practice.

- LFSP is required to be eligible for cost-sharing.
- The area must be protected from destructive fire and destructive grazing.
- Chemicals used in performing this practice must be:
 - federally, State, and locally registered
 - applied according to authorized registered uses, directions on the label, and other Federal or State policies and requirements.
- The practice must be maintained for at least 10 years after establishment.
- Fencing will be eligible for C/S **only** where it is determined that the primary purpose of this practice will not be achieved if it is not protected by a fence or where fencing as a "stand alone" component will result in the natural regeneration of riparian forests.

E
Program Development

State practices must specify the eligible measures and requirements upon which cost-sharing will be authorized.

Technical specifications may be incorporated by reference.

F
Technical Responsibility

Technical responsibility is assigned to FS unless otherwise delegated at the State level.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

7 SIP7, Fisheries Habitat Enhancement

A
Purpose The purpose of this practice is to enhance in-stream habitat for native aquatic species including resident and anadromous fish.

B
Program Policy Apply this practice to water bodies associated with forest land including lakes, ponds, wetlands, rivers, and streams that are capable of supporting or can be enhanced to support a continuous, thriving population of aquatic species including resident and anadromous fish.

Continued on the next page

SIP Practices Eligible for C/S (Continued)

7 SIP7, Fisheries Habitat Enhancement (Continued)

C
C/S Policy The following table provides C/S policies for this practice.

IF the component is...	AND the justification is...	THEN C/S is...
<ul style="list-style-type: none"> • fencing • the construction and placement of habitat improvement and stocking structures • the modification of habitat for threatened and endangered aquatic species • placement of instream woody debris •*--shallow water wetlands--* • riprap • gabions • culverts • existing food supply enhancement • the provision of spawning areas 	<ul style="list-style-type: none"> • to protect or enhance instream habitat • to improve water quality • to protect fish from predators • to increase fish production • to protect, restore, enhance, or maintain habitat for threatened and endangered aquatic species 	<p>authorized.</p>

Continued on the next page

SIP Practices Eligible for C/S (Continued)

7 SIP7, Fisheries Habitat Enhancement (Continued)

**C
C/S Policy
(Continued)**

IF the component is...	AND the justification is...	THEN C/S is...
<ul style="list-style-type: none"> • one that would have an adverse effect on any threatened or endangered species • the enhancement of a commercial aquaculture operation • pond installation • the purchase of fish • *--boundary line fences--* • the purchase of fish food * * * • gates 		not authorized.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

7 SIP7, Fisheries Habitat Enhancement, *Continued*

D

**Other C/S
Requirements**

The following requirements are necessary in implementing this practice.

- LFSP is required to be eligible for cost-sharing.
- The area must be protected from destructive grazing.
- The practice must be maintained for at least 10 years after establishment.
- Fencing will be eligible for C/S **only** where it is determined that the primary purpose of this practice will not be achieved if it is not protected by a fence. Fencing is not authorized as a "stand alone" component.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

7 SIP7, Fisheries Habitat Enhancement, *Continued*

E

**Prioritizing
Requests for SIP7**

This table lists priority ratings for SIP-7.

Priority Ratings for Threatened and Endangered Aquatic Species			
First Priority	Species listed or proposed for listing as threatened or endangered by FWS.	Species designated as category 1 candidates by FWS and the National Marine Fisheries Service.	Natural communities of demonstrably high, rangewide significance.
Second Priority	Species generally recognized as rare, threatened, or endangered on a rangewide basis.	Species on the USDA-FS Regional Forester's Sensitive Species List.	Species considered globally rare or imperiled by the Nature Conservancy.
Third Priority	Any additional species listed or proposed for listing by the State government, or otherwise generally agreed to be of high conservation concern.	Note: Consultation with knowledgeable individuals, agencies, and organizations, including the State's Natural Heritage Program, is encouraged to set priorities for other rare species and unique habitat types known to occur in the State.	

Continued on the next page

SIP Practices Eligible for C/S (Continued)

7 SIP7, Fisheries Habitat Enhancement (Continued)

F
Program State practices must specify the eligible measures and requirements upon which
Development cost-sharing will be authorized.

Technical specifications may be incorporated by reference.

G
Technical Technical responsibility is assigned to FS unless otherwise delegated at the State
Responsibility level.

Continued on the next page

SIP Practices Eligible for C/S (Continued)

8 SIP8, Wildlife Habitat Enhancement

A
Purpose

The purpose of this practice is to:

- restore, improve, or establish permanent upland and wetland habitat for native and desirable non-native game and nongame wildlife species
 - restore, protect, enhance, and maintain threatened or endangered native flora or fauna and their unique habitats and communities.
-

B
Program Policy

--Apply this practice to forest land with existing tree cover, closely associated lands necessary for species habitat improvement and the recovery of threatened and endangered species, and other rural lands suitable for growing trees when trees will be established on the site.--

Continued on the next page

SIP Practices Eligible for C/S (Continued)

8 SIP8, Wildlife Habitat Enhancement (Continued)

C
C/S Policy The following table provides C/S policies for this practice.

IF the component is...	AND the justification is...	THEN C/S is...
<ul style="list-style-type: none"> • plant material purchase and installation • site preparation • prescribed burning • control of competition and undesirable species • noncommercial thinning • tree shelters • weed barriers or mulch • animal repellents • fertilizer • fencing • creation of forest openings •*--lay-down fence panels--* • wildlife water facilities • wildlife corridors • artificial cavities, nest boxes, roost poles, or platforms • creation of snags • spring development •*--shallow water wetlands--* • development of green tree reservoir 	<ul style="list-style-type: none"> • to improve or restore existing wildlife habitat • to create new wildlife habitat 	<p>authorized.</p>

Continued on the next page

SIP Practices Eligible for C/S (Continued)

8 SIP8, Wildlife Habitat Enhancement (Continued)

C
C/S Policy
(Continued)

IF the component is...	AND the justification is...	THEN C/S is...
<ul style="list-style-type: none"> • establishment of threatened and endangered species of flora • modification of habitat for threatened and endangered species of flora or fauna •*--riprap • gambions • culverts--* 	<ul style="list-style-type: none"> • to protect, restore, enhance, or maintain habitat for threatened and endangered species • to establish threatened and endangered flora species 	<p>authorized.</p>
<ul style="list-style-type: none"> • one that would have an adverse effect on any threatened or endangered species • water facilities to benefit livestock • structure for human benefit • supplementing a "put and take" wildlife operation • orchard production • ornamental or nursery production * * * • pond installation • firebreaks • gates 		<p>not authorized.</p>
<ul style="list-style-type: none"> •*--boundary line fences--* • repeated prescribed burning on the same acreage 		<p>not authorized.</p> <p>Exception: Authorized if in PRM's judgment the treatment requires this practice.</p>

SIP Practices Eligible for C/S, *Continued*

8 SIP8, Wildlife Habitat Enhancement, *Continued*

D

**Other C/S
Requirements**

The following requirements are necessary in implementing this practice.

- LFSP is required to be eligible for cost-sharing.
- The area must be protected from destructive fire and destructive grazing.
- Chemicals used in performing this practice must be:
 - federally, State, and locally registered
 - applied according to authorized registered uses, directions on the label, and other Federal or State policies and requirements.
- The practice must be maintained for at least 10 years after establishment.
- Fencing will be eligible for C/S **only** where it is determined that the primary purpose of this practice will not be achieved if it is not protected by a fence. Fencing is not authorized as a "stand alone" component.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

8 SIP8, Wildlife Habitat Enhancement, *Continued*

E

Prioritizing Requests for SIP8 This table lists priority ratings for SIP8.

Priority Ratings for Threatened and Endangered Plant and Wildlife Species			
First Priority	Flora or fauna listed or proposed for listing as threatened or endangered by FWS.	Species designated as category 1 candidates by FWS.	Natural communities of demonstrably high, rangewide significance.
Second Priority	Species generally recognized as rare, threatened, or endangered on a rangewide basis.	Species on the USDA-FS Regional Forester's Sensitive Species List.	Species considered globally rare or imperiled by the Nature Conservancy.
Third Priority	Any additional species listed or proposed for listing by the State government, or otherwise generally agreed to be of high conservation concern.	Note: Consultation with knowledgeable individuals, agencies, and organizations, including the State's Natural Heritage Program, is encouraged to set priorities for other rare species and unique habitat types know to occur in the State.	

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

8 SIP8, Wildlife Habitat Enhancement, *Continued*

F

**Program
Development**

State practices must specify the eligible measures and requirements upon which cost-sharing will be authorized.

Technical specifications may be incorporated by reference.

G

**Technical
Responsibility**

Technical responsibility is assigned to FS unless otherwise delegated at the State level.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

9 SIP9, Forest Recreation Enhancement

A
Purpose The purpose of this practice is to establish and enhance forest recreation.

B
Program Policy Apply this practice to forest land with existing tree cover.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

9 SIP9, Forest Recreation Enhancement, *Continued*

C

C/S Policy

The following table provides C/S policies for this practice.

IF the component is...	AND the justification is...	THEN C/S is...
<ul style="list-style-type: none"> • plant material purchase and installation • site preparation • weed barriers or mulch • fencing • noncommercial thinning • pruning • creation of forest openings • establishment of paths and trails 	<ul style="list-style-type: none"> • to improve an area for recreation • to protect, enhance, or restore aesthetic quality • to identify and protect historic property 	authorized.
<ul style="list-style-type: none"> • one that would directly or indirectly result in adverse effects to a cultural resource • commercial recreation development • road construction or maintenance • commercial campgrounds • surfacing material • outbuildings •*--boundary line fences--* • gates, bridges, or signs 		not authorized.

Continued on the next page

SIP Practices Eligible for C/S, *Continued*

9 SIP9, Forest Recreation Enhancement, *Continued*

D
**Other C/S
Requirements**

The following requirements are necessary in implementing this practice.

- LFSP is required to be eligible for cost-sharing.
- The area must be protected from destructive fire and destructive grazing.
- Chemicals used in performing this practice must be:
 - federally, State, and locally registered
 - applied according to authorized registered uses, directions on the label, and other Federal or State policies and requirements.
- The practice must be maintained for at least 10 years after establishment.
- Fencing will be eligible for C/S **only** where it is determined that the primary purpose of this practice will not be achieved if it is not protected by a fence. Fencing is not authorized as a "stand alone" component.

E
**Program
Development**

State practices must specify the eligible measures and requirements upon which cost-sharing will be authorized.

Technical specifications may be incorporated by reference.

F
**Technical
Responsibility**

Technical responsibility is assigned to FS unless otherwise delegated at the State level.

Continued on the next page

SIP-502, Stewardship Incentive Program Payment Limitation Review

A

Completion Instructions

*--FSA and the applicant shall complete SIP-502 according to this table.

Item	Instructions
Items To Be Completed by FSA	
1	Enter county name.
2	Enter program year.
3	Enter State name.
Items 4 Through 10 To Be Completed by the Applicant--*	
4	Enter the name and mailing address for the applicant.
5	Enter the Social Security number or employer ID number for the applicant. If the entity uses both types of ID numbers, enter both.
6	Enter the date the entity was formed. Leave blank if the entity is an individual.
7	Check the applicable box for the type of entity for which this form is being completed. If the entity is not listed, check box I and enter the entity type.
8	Enter the names of all stockholders, members, heirs, or beneficiaries having an interest in the entity. Enter the Social Security number or employer ID number for each stockholder, member, heir, or beneficiary having an interest in the entity. Enter the percent share for each stockholder, member, heir, or beneficiary having an interest in the entity.
--9	Enter the Executor's or Grantor's name, if applicable.--
10	Read, sign, and date the certification.

Continued on the next page

SIP-211, SIP Power of Attorney

REPRODUCE LOCALLY. Include form number and date on reproductions. Form Approved OMB No. 0596-0120

SIP-211 (11-30-98)	U.S. DEPARTMENT OF AGRICULTURE Stewardship Incentive Program SIP POWER OF ATTORNEY
------------------------------	--

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is The Food, Agriculture, Conservation, and Trade Act of 1990. The information will be used to collect data. Furnishing the requested information is voluntary. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0120. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned does hereby make, constitute, and appoint
Willie Campfield, of Ellicott City,
Howard County, State of Maryland, the true and lawful attorney
 for and in the name, place, and stead of the undersigned in connection with the Stewardship Incentive Program under the jurisdiction of the United States Department of Agriculture, administered through the Forest Service.

The undersigned gives and grants unto said attorney full authority and power to do and perform all and every act and thing whatsoever requisite and advisable to be done under such program, including access to United States Forest Service records and County FSA Office records necessary to complete transactions and the actions numbered 5 (below), as fully ratifying and all that said attorney shall lawfully do or cause to be done by virtue hereof.

1. All actions.	3. The receiving of payments.	5. The making of reports.
2. The signing of an application.	4. Pledge agreements.	6. Other (Specify): _____

This Power of Attorney shall remain in full force and effect until written notice of its revocation has been duly served upon the
Maryland DNR Forest Service, 1202 Old Annapolis Road, Woodbine, MD.
 The foregoing Power of Attorney set forth above is signed and dated at Carroll County FSA Office,
 _____, this 6 day of November, year 1997.

Authorized Signatures	
A. Signature(s) of Grantor(s) (Individual)	Social Security Number(s)
1. _____	_____
2. _____	_____
B. Signature of Grantor (Partnership, Corporation, Trust, etc.)	Official Title
_____	_____
C. ID Number of the Partnership, Corporation, Trust, etc.	_____
D. Witnesses' Signatures (FSA Employees)	Position(s)
1. _____	_____
2. _____	_____

This form must be acknowledged by a Notary Public unless witnessed by FSA employees or a corporate seal of grantor is affixed.

State of _____

County of _____

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

SIP-211-1, SIP Power of Attorney for Husband and Wife

REPRODUCE LOCALLY. Include form number and date on reproductions.

Form Approved - OMB No. 0596-0120

SIP-211-1
(08-10-98)

U.S. DEPARTMENT OF AGRICULTURE
Stewardship Incentive Program

SIP POWER OF ATTORNEY FOR HUSBAND AND WIFE

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Food, Agriculture, Conservation, and the Trade Act of 1990. The information will be used to determine eligibility for program benefits. Furnishing the requested information is voluntary; however, without it assistance cannot be provided. Failure to furnish the requested information will result in power of attorney for husband and wife not being assigned. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0120. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

The Forest Service (FS) hereby recognizes the undersigned Tyler Michaels
and Breanna Michaels of Sykesville,
County of Carroll, State of Maryland, who hereby
appoint one another as the attorney in fact for the other and grant unto the other full authority to execute all
necessary documents, receive and acknowledge receipt of all payments due the undersigned, and perform all
necessary acts in connection with the Stewardship Incentive Program and/or the Forest Service of the U.S.
Department of Agriculture, as the attorney in fact for each other and FS will honor the acts of each of the
undersigned in connection with the Stewardship Incentive Program.

The undersigned hereby ratify all that the other shall lawfully do by virtue of this appointment.

Notwithstanding state law, FS shall continue to recognize this appointment and the undersigned agree that this
appointment shall remain in effect until (1) notice of the death of either of the undersigned, (2) written
notice of the revocation of this power of attorney by either of the undersigned by the _____
Carroll County Office of Maryland DNR Forest Service located at
1202 Old Annapolis Road, Woodbine, MD.

This power of attorney is signed and dated at Carroll County FSA Office,
on November 6, (Year) 1997.

SIGNATURES

HUSBAND (WITNESS)

WIFE (WITNESS)

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

SIP-36, SIP Assignment of Payment

REPRODUCE LOCALLY. Include form number and date on reproductions. Form Approved - OMB No. 0596-0120

SIP-36 (11-18-98) U.S. DEPARTMENT OF AGRICULTURE Stewardship Incentive Program		1. STATE	
		Maryland	
SIP ASSIGNMENT OF PAYMENT		2. COUNTY	
		Carroll	
3. PROGRAM, MARKETING OR CONTRACT YEAR	4. AMOUNT ASSIGNED	5. ALL FARMS IN COUNTY	6. FARM CONTROL NUMBER
1998	\$ 500.00	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	7475
7. NAME & ADDRESS OF LANDOWNER (Assignor)		8. NAME & ADDRESS OF ASSIGNEE	
Tyler Michaels 1963 Grays Landing Road Sykesville, MD 21784		Knuppel Contracting 3243 Jones Road Woodbine, MD 21797	
9. BANK ABA NUMBER: W00-4556778			
Representations of Assignor and Assignee			
In order to assign a cash payment made in accordance with the Stewardship Incentive Program this form must be completed by both the assignor and the assignee. The assignment is applicable only to payments issued by the Forest Service in the county specified in item 2. This assignment is subject to the terms stated in this form and the provisions of 36 CFR Part 230.			
The assignor assigns to the assignee payments due or to become due the assignor as specified above. The assignee agrees to repay promptly to the Federal Government any amount by which the assigned payment exceeds the amount specified in item 4.			
The assignor and the assignee agree that they will promptly notify the county FSA office of any change affecting this assignment.			
10. LANDOWNER'S SIGNATURE		DATE	
<i>Tyler Michaels</i>		11/6/97	
11. WITNESS OF LANDOWNER'S SIGNATURE		DATE	
<i>John Smith</i>		11/6/97	
12. ASSIGNEE'S SIGNATURE		DATE	
<i>W. H. Knuppel, President</i>		11/6/97	
13. REMARKS			
FOR FSA COUNTY OFFICE USE ONLY			
14. DATE FILED		15. RECORD OF PAYMENT TO ASSIGNEE	
11/6/97			
16. FS DEBT OWED	AMOUNT	DATE	AMOUNT
None	\$ 500.00	03/19/98	\$
17. OTHER U.S. DEBT OWED	AMOUNT	DATE	AMOUNT
None	\$		\$
<p>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Food, Agriculture, Conservation, and Trade Act of 1990. The information will be used to determine eligibility for program benefits. Furnishing the requested information is voluntary; however, without it assistance cannot be provided. Failure to furnish the requested information will result in no assignment of payment. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.</p> <p>According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0120. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.</p>			

Continued on the next page

SIP-36, SIP Assignment of Payment (Continued)

SIP-36 (Reverse) (11-18-98)

SPECIAL PROVISIONS RELATING TO ASSIGNMENTS

1. The original of this assignment, properly executed, must be filed in the Farm Service Agency office for the county in which the farm or operation subject to this assignment is administratively located with respect to the Stewardship Incentive Program.
2. If the assignor assigns a specified amount of payments to more than one assignee the Forest Service will recognize the first 2 assignments received for the Stewardship Incentive Program and a particular year, only if a separate SIP-36 is filed for each assignee.
3. The payment due the landowner may be applied first against any indebtedness owing by the landowner to the United States which may be setoff, and any balance will be subject to assignment.
4. Neither the United States of America, the Forest Service, the Secretary of Agriculture, any disbursing officer, nor any other Government employee or official shall be subject to any suit or liable for payment of any amount if payment is inadvertently made to the assignor without regard to this assignment.

***--AD-245, SIP Request for Cost-Shares Generated by FSA**

A

**Completing
AD-245, Page 1**

Complete AD-245, page 1 according to this table.--*

Circle Number	Completed By	Instructions
1	FSA	Enter State and county codes and check digit.
2	FSA	Enter control number.
3	FSA	Enter the farm number, tract number, name, address, and telephone number of the landowner.
4	FSA	Enter farmland and cropland.
5	FSA	Enter program code "SIP".
6	N/A	Leave blank.
7	FSA	Enter primary purpose code "F" or "G".
8	FSA	Check yes or no to indicate whether the landowner has other farms.
9	FSA	Enter a description of the practice objective.
10 A	FSA	Enter practice number. See Exhibit 14. Enter component code applicable to the practice. Component code must be applicable on the County Eligibility Table.
10 B	FSA	Enter practice title. See Exhibit 14. Enter component description.
10 C	FSA	Enter extent requested for each component.
10 D	Forestry	Enter extent approved for each component.
10 E	FSA	Enter C/S rate for each practice component. Rate must be applicable for the component on the County Eligibility Table.
10 F	Forestry	Enter C/S amount approved.
11	Forestry	Enter month and year the landowner will start and complete the practice.

Continued on the next page

***--AD-245, SIP Request for Cost-Shares Generated by FSA (Continued)**

A
Completing
AD-245, Page 1
(Continued)

Circle Number	Completed By	Instructions
12	FSA	Check yes or no to indicate if a Forest Stewardship Plan has been developed by FS.
13	FSA	Check yes or no to indicate whether the landowner is a partnership or joint venture.
14	Landowner	Read the statement, then sign and date.
15	FSA	FSA shall enter an estimated C/S. Service Forester shall update as the components and extent are developed.
16	Forestry	State Forester shall sign and date for approval of extent and C/S in circle numbers 10 D and 10 F.
17	Forestry	Enter the date by which the practice must be completed and reported.
18	FSA and Forestry	Annotate if direct deposit is requested and enter any additional remarks that would be useful in considering the request for C/S.
19	Landowner	*--Check to certify whether the applicant owns no more than 1,000 acres of NIPF. (Signature-Date)--*
		If more than 1,000 acres are owned, enter the total number of acres and submit application for waiver procedure.
		Enter the date a waiver is approved by FS.

Continued on the next page

*--AD-245, SIP Request for Cost-Shares Generated by FSA (Continued)

A
Completing
AD-245, Page 1
(Continued)

FORM APPROVED
OMB NO. 0560-0082

Page 1

AD-245 U.S. DEPARTMENT OF AGRICULTURE ST. & CO. & C/D CONTROL NO. (F/Y & NO.)
(09-11-95) REQUEST FOR COST-SHARES 1 2
(AD-245 replaces ACP-245 and SIP-245)

FARM NO.	NAME AND ADDRESS	FARMLAND CROPLAND	PROGRAM CODE	FUND CODE	CONTRACT/LTA & ITEM NO.	PRIMARY PURPOSE	OTHER FARMS // YES // No
TRACT No. 3	Telephone No.	4	5	6		7	8

DESCRIPTION OF PRACTICE OBJECTIVE 9

PRACTICE LOCATION

FOR USE BY THE APPROVING OFFICIAL

Number A	Practice Title B	Extent Requested C	Extent Approved D	Rate E	C/S Approved F	I plan to start the practice 11
10	10	10	10	10	10	I plan to complete the practice

CONSERVATION PLAN: Farm Plan By NRCS // Yes / /No 12 Forest Plan By FS // Yes / /No Other Plan // Yes / /No PARTNERSHIP Joint Venture 13 Yes / /No Yes / /No

APPLICANTS REQUEST 14

I request cost-share assistance under the program to meet the objective described above. This practice would not be performed without Federal cost-sharing. If cost-sharing is approved for the practice requested, I agree to refund all or part of the funds paid to me as determined by the Approving Official, if, before expiration of the specified practice lifespan I, (a) destroy the approved practice, or (b) voluntarily relinquish control or title to the land on which the approved practice has been established and the new owner and/or operator of the land does not agree in writing to properly maintain the practice for the remainder of its lifespan. I have not yet started this practice, and except for ECP requests, I understand that if I begin the practice before receiving written approval I may be denied funding. I authorize a representative of USDA to have access to the practice site area. I understand that term "CONTINUATION FOR AD-245" is by reference incorporated herein.

SIGNATURE: DATE: Estimated \$ C/S Value 15 C/S Willing \$ to Approve

APPROVAL ACTION The Approving Official approved the extent shown in BLOCK D above and the cost-shares shown in BLOCK E above for this practice.

FOR THE APPROVING OFFICIAL 16 DATE: Practice Expiration Date 17

REMARKS 18

For SIP and FIP Only: I certify that I / /do / /do not own more 1000 acres of eligible forestland in the United States or any territory or possession of the U.S. Acres if more than 1,000 Date Waiver Approved

SIGNATURE: DATE: 19

PARTICIPATION IN USDA PROGRAMS IS OPEN TO ALL ELIGIBLE APPLICANTS WITHOUT REGARD TO RACE, COLOR, RELIGION, NATIONAL ORIGIN, AGE, SEX, MARITAL STATUS, OR DISABILITY.

Continued on the next page

***--AD-245, SIP Request for Cost-Shares Generated by FSA (Continued)**

B

Completing AD-245, Page 2 Complete AD-245, page 2 according to this table.--*

Circle Number	Completed By	Instructions
1	FSA	Enter State and county codes and check digit.
2	FSA	Enter control number.
3	FSA	Enter the farm number, tract number, name, address, and telephone number of the landowner.
4	FSA	Enter farmland and cropland.
5	FSA	Enter program code "SIP".
6	N/A	Leave blank.
7	FSA	Enter primary purpose code "F" or "G".
8	FSA	Enter the date by which the practice must be completed and reported.
9	FSA	Enter a description of the practice objective.
10 A	FSA	Enter practice number. See Exhibit 14. Enter component code applicable to the practice. Component code must be applicable on the County Eligibility Table.
10 B	FSA	Enter practice title. See Exhibit 14. Enter component description.
10 C	FSA	Enter extent requested for each component.
10 D	Forestry	Enter extent approved by the Service Forester.
10 E	FSA	Enter C/S rate for each component. Rate must be applicable for the component on the County Eligibility Table.
10 F	Forestry	Enter C/S amount approved.
10 G	Forestry	Enter the extent of each component performed.
10 H	Forestry	Enter C/S earned for each component.

Continued on the next page

***--AD-245, SIP Request for Cost-Shares Generated by FSA (Continued)**

B
Completing
AD-245, Page 2
(Continued)--*

Circle Number	Completed By	Instructions
		At the time performance is reported, the SIP participant must complete circle numbers 11 X and 11 Y.
11 X	Landowner	Check yes or no to indicate whether the participant bore all expenses except for C/S. If no is checked, report name and address of any other person or agency who bore any part of the expense. Also show the kind, extent, and value of their contribution.
11 Y	Landowner	Check yes or no to indicate whether the participant has any direct or indirect interest in any entity that is or will be receiving an SIP payment. If yes is checked, report State and county and amount of each.
12	FSA	CED shall sign and date to reference the date the approval was mailed to the participant.
13	Forestry	Enter the total C/S earned and date earned.
14	Forestry and FSA	Enter amount of any partial payment and date payment was made.
--15	FSA	Check yes or no to indicate whether participant is on FSA debt register.--
16	FSA	Enter any amount setoff from total C/S earned.
17	FSA	Enter any debt assignment and date.
18	FSA	Subtract the sum of circle numbers 16 and 17 from circle number 12 and enter the net payment.
19	Forestry	Service Forester shall sign and date to indicate that circle numbers 10 G and 10 H are correct.
20	FSA	Verify calculations and enter the date the verifications were made. This verification shall be made by someone other than the employee who made the calculation in circle number 18.
21	FSA	Enter "10" years.
22	Landowner	Read certification statement, then sign and date.

Continued on the next page

*--AD-245, SIP Request for Cost-Shares Generated by FSA (Continued)

B
Completing
SIP-245, Page 2
(Continued)

FORM APPROVED
OMB NO. 0560-0082

Page 2
AD-245 (09-11-95) U.S. DEPARTMENT OF AGRICULTURE PRACTICE APPROVAL AND PAYMENT APPLICATION ST. & CO. & C/O CONTROL NO. (F/Y & NO.)
(AO-245 replaces ACP-245 and SIP-245)

FARM NO. TRACT No.	NAME AND ADDRESS	FARMLAND CROPLAND	PROGRAM CODE	FUND CODE	CONTRACT/LTA & ITEM NO.	PRIMARY PURPOSE	EXPIRATION NOTICE Practice must be completed and reported by
3		4	5	6		7	8
Telephone No.		10					

Your request for program cost-sharing to perform the practice shown below is approved for the farm identified above. If you decide not to perform this practice, or if you cannot complete it by the expiration date, please notify the Approving Official's office in writing at once.

DESCRIPTION OF PRACTICE OBJECTIVE 9

FOR APPROVING OFFICIAL USE

Number	Practice Title	Extent Requested	Extent Approved	Rate	Cost-Shares Approved	Extent Performed	Cost-Shares Earned
A	B	C	D	E	F	G	H
10	10	10	10	10	10	10	10

INSTRUCTIONS TO PARTICIPANT To receive payment or credit for any cost-shares earned on this practice, report performance in col. G and complete ITEMS X and Y below; date and sign the certification below; and file with the issuing office by the date noted in EXPIRATION NOTICE.

APPROVAL ISSUED BY APPROVING OFFICIAL (FOR SIP) APPROVAL MAILED BY CED DATE

X. Did you bear all the expense (except for program cost-sharing) for performing this practice? (If No, report name(s) and address(es) of other person(s) or agency who bore any part of the expenses. Also show kind, extent and value of their contribution.)

11 Total Cost-Shares Earned 13
Payment Advance (Partial Payment) 14
Is Partic. on FSA Debt Req.? Y / / N / / 15
Setoff 16
Debt Assignment 17
Net Payment 18

YES / / NO / /

Y. During the current fiscal year Oct. 1 - Sep. 30, have you received or will you receive a cost-share payment under the same program on this or any other farm other than through this AD-245? (If yes, report State, County, and amount by farm).

11 YES / / NO / /

Payment Approved (initials) (For SIP) C/S Earned Approved By/Date 19
Check Number (For SIP) Calc. Verif. By/Date 20

CERTIFICATION BY PARTICIPANT I certify that the above information is true and correct. I further certify that the entry in Column G shows that the practice was performed in accordance with the practice specifications and other program requirements. I hereby apply for payment to the extent that the approving official has determined that the practice has been performed and further certify that this payment is not a duplicate of any other earned by me. I agree to maintain this practice for at least 21 years following the year the practice is completed. I agree to refund all or part of the cost-share assistance paid to me, as determined by the Approving Official, if before expiration of the practice lifespan specified above, I (a) destroy the practice installed, or (b) voluntarily relinquish control or title to the land on which the installed practice has been established and the new owner and/or operator of the land does not agree in writing to properly maintain the practice for the remainder of its specified lifespan. I understand that form "CONTINUATION FOR AD-245" is by reference incorporated herein and with this page constitutes the entire agreement between the parties.

SIGNATURE: DATE: 22

PARTICIPATION IN USDA PROGRAMS IS OPEN TO ALL ELIGIBLE APPLICANTS WITHOUT REGARD TO RACE, COLOR, RELIGION, NATIONAL ORIGIN, AGE, SEX, MARITAL STATUS, OR HANDICAP.

--*

Continued on the next page

*--AD-245, SIP Request for Cost-Shares Generated by FSA (Continued)

C
Attachment

CONTINUATION FOR AD-245 PAGES 1 and 2
(09-11-95)

FORM APPROVED
OMB NO. 0560-0082

U.S. DEPARTMENT OF AGRICULTURE

FORM AD-245 ATTACHMENT
(PRIVACY ACT, PUBLIC BURDEN,
COMPLIANCE AND PENALTY STATEMENT)

PRIVACY ACT AND PUBLIC BURDEN STATEMENT

The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a). The information is necessary to monitor participation in USDA cost-share programs. Information provided on AD-245, Request of Cost-Shares/Practice Approval/Payment Application may be furnished to other USDA agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to orders of a court magistrate or administrative tribunal. Public reporting burden for this collection of information is estimated to average 25 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, or any other aspect of this collection of information, including suggestions for reducing this burden, to the Department of Agriculture, Clearance Officer, OIRM, Room 404-U, Washington, D.C. 20250; and to the Office of Management and Budget, Paperwork Reduction (OMB No. 0560-0082), Washington, D.C. 20503.

COMPLIANCE AND PENALTY STATEMENT

The program for which this cost-share application is being completed is listed under the PROGRAM CODE on pages 1 and 2. No monies or benefits may be paid out under this program unless this report is completed and filed as required by existing law and regulations and unless there is full compliance with all terms and conditions of the provisions of existing law and regulations and any agreements executed with respect to that program by the participant in the program.

The basic program regulations which apply to the cost-share programs are the subject of this agreement and incorporated herein by reference:

- for SIP at 36 CFR Part 230,
- for ACP at 7 CFR Part 701,
- for FIP at 7 CFR Part 701,
- for CRP at 7 CFR Parts 704 and 1410,
- for MICS at 7 CFR Part 1413,

(For other programs inquire where the application is submitted.)

There may also be other regulations that apply. Any fraudulent claims made hereunder may subject the applicant to Federal criminal and civil penalties as provided for in USC 207, 1001, and 31 USC 231.

In the event of a conflict between these or other regulations and the terms of this contract, the provisions of the regulations will prevail.

PARTICIPATION IN USDA PROGRAMS IS OPEN TO ALL ELIGIBLE APPLICANTS WITHOUT REGARD TO RACE, COLOR, RELIGION, NATIONAL ORIGIN, AGE, SEX, MARITAL STATUS, OR HANDICAP.

--*

***--AD-245, SIP Request for Cost-Shares Generated by Service Forester**

A

**Completing
AD-245, Page 1**

Service Forester may complete AD-245, page 1 according to this table if the landowner has established farm records with FSA. FSA will complete it's portion after AD-245, page 1 is received from the Service Forester.--*

Circle Number	Completed By	Instructions
1	FSA	Enter State and county codes and check digit.
2	FSA	Enter control number.
3	FSA	Enter the farm number and the tract number.
	Forestry	Enter the name, address, and telephone number of the landowner.
4	FSA	Enter farmland and cropland.
5	Forestry	Enter program code "SIP".
6	N/A	Leave blank.
7	FSA	Enter primary purpose code "F" or "G".
8	Forestry	Check yes or no to indicate whether the landowner has other farms.
9	Forestry	Enter a description of the practice objective.
10 A	Forestry	Enter practice number. See Exhibit 14. Enter component code applicable to the practice. Component code must be applicable on the County Eligibility Table.
10 B	Forestry	Enter practice title. See Exhibit 14. Enter component description.
10 C	Forestry	Enter extent requested for each component.
10 D	Forestry	Enter extent approved for each component.
10 E	Forestry	Enter C/S rate for each practice component. Rate must be applicable for the component on the County Eligibility Table.
10 F	Forestry	Enter C/S amount approved.
11	Forestry	Enter month and year the landowner will start and complete the practice.

Continued on the next page

***--AD-245, SIP Request for Cost-Shares Generated by Service Forester (Continued)**

A
Completing
AD-245, Page 1
(Continued)--*

Circle Number	Completed By	Instructions
12	Forestry	Check yes or no to indicate if a Forest Stewardship Plan has been developed.
13	FSA	Check yes or no to indicate whether the landowner is a partnership or joint venture.
14	Landowner	Read the statement, then sign and date.
15	Forestry	Enter an estimated C/S.
16	Forestry	State Forester shall sign and date for approval of extent and C/S in circle numbers 10 D and 10 F.
17	Forestry	Enter the date by which the practice must be completed and reported.
18	FSA and Forestry	Annotate if direct deposit is requested and enter any additional remarks that would be useful in considering the request for C/S.
19	Landowner	*--Check to certify whether the applicant owns no more than 1,000 acres of NIPF. (Signature-Date)--*
		If more than 1,000 acres are owned, enter the total number of acres and submit application for waiver procedure.
		Enter the date a waiver is approved by FS.

Continued on the next page

*--AD-245, SIP Request for Cost-Shares Generated by Service Forester (Continued)

A
Completing
AD-245, Page 1
(Continued)

FORM APPROVED
OMB NO. 0560-0082

Page 1

AD-245 (09-11-95) U.S. DEPARTMENT OF AGRICULTURE REQUEST FOR COST-SHARES ST. & CO. & C/D CONTROL NO. (F/Y & NO.)

(AD-245 replaces ACP-245 and SIP-245)

FARM NO. NAME AND ADDRESS FARMLAND CROPLAND PROGRAM CODE FUND CODE CONTRACT/LTA & ITEM NO. PRIMARY PURPOSE OTHER FARMS

TRACT No. Telephone No.

DESCRIPTION OF PRACTICE OBJECTIVE PRACTICE LOCATION FOR USE BY THE APPROVING OFFICIAL

Number	Practice Title	Extent Requested	Extent Approved	Rate	C/S Approved	I plan to start the practice
A	B	C	D	E	F	G
10	10	10	10	10	10	11

I plan to complete the practice

CONSERVATION PLAN: Farm Plan By NRCS Forest Plan By FS Other Plan PARTNERSHIP Joint Venture

APPLICANTS REQUEST

I request cost-share assistance under the program to meet the objective described above. This practice would not be performed without Federal cost-sharing. If cost-sharing is approved for the practice requested, I agree to refund all or part of the funds paid to me as determined by the Approving Official, if, before expiration of the specified practice lifespan I, (a) destroy the approved practice, or (b) voluntarily relinquish control or title to the land on which the approved practice has been established and the new owner and/or operator of the land does not agree in writing to properly maintain the practice for the remainder of its lifespan. I have not yet started this practice, and except for ECP requests, I understand that if I begin the practice before receiving written approval I may be denied funding. I authorize a representative of USDA to have access to the practice site area. I understand that form "CONTINUATION FOR AD-245" is by reference incorporated herein.

SIGNATURE: DATE: Estimated \$ C/S Value C/S Willing to Approve \$

APPROVAL ACTION The Approving Official approved the extent shown in BLOCK D above and the cost-shares shown in BLOCK E above for this practice.

FOR THE APPROVING OFFICIAL: DATE: Practice Expiration Date

REMARKS

For SIP and FIP Only: I certify that I /do /do not own more 1000 acres of eligible forestland in the United States or any territory or possession of the U.S.

SIGNATURE: DATE: Acres if more than 1,000 Date Waiver Approved

PARTICIPATION IN USDA PROGRAMS IS OPEN TO ALL ELIGIBLE APPLICANTS WITHOUT REGARD TO RACE, COLOR, RELIGION, NATIONAL ORIGIN, AGE, SEX, MARITAL STATUS, OR DISABILITY.

***--AD-245, SIP Request for Cost-Shares Generated by Service Forester (Continued)**

B

Completing
AD-245, Page 2

Complete AD-245, page 2 according to Exhibit 22.--*

SIP Verification Report Example

Florida
Okeechobee
Report ID: EUA300-R001

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
SIP VERIFICATION REPORT

Page: 1

The following payment requests for the Stewardship Incentive Program are ready for transmission to Kansas City Management Office.

Control Number	Entered Date & Time	Landowner ID Number	Landowner Name	Payee Name and Address	Amount
XXXXXX	XXXXXXXXXXXX	XXX-XX-XXXX X	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX	\$XX,XXX.XX
XXXXXX	XXXXXXXXXXXX	XXX-XX-XXXX X	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX	\$XX,XXX.XX
XXXXXX	XXXXXXXXXXXX	XXX-XX-XXXX X	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX	\$XX,XXX.XX
XXXXXX	XXXXXXXXXXXX	XXX-XX-XXXX X	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXX	\$XX,XXX.XX

Date of Last Transmission was mm-dd-yy

Certification

I certify that the items listed herein are correct and proper for payment from the Forest Service's appropriation for the Stewardship Incentive Program.

Signature _____ Date _____

Counter Signature _____ Date _____

Verification number is xxxxxxxxxxxx

SIP Disbursements Transmission Report Example

Florida
Okeechobee
Report ID: EUA900-R001

U. S. Department of Agriculture
Farm Service Agency
SIP Disbursements Transmission Report

Prepared: mm/dd/yy
Page: 1

Transmission Date: mm/dd/yy
Time: hh:mm:ss

CONTROL NUMBER	SEQ. NO.	LANDOWNER ID	LANDOWNER NAME	PAYEE NAME	AMOUNT DISBURSED
XX XXXX	XX	XXX XX XXXX X	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XX,XXX.XX
XX XXXX	XX	XXX XX XXXX X	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XX,XXX.XX
XX XXXX	XX	XXX XX XXXX X	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XX,XXX.XX
XX XXXX	XX	XXX XX XXXX X	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XX,XXX.XX
XX XXXX	XX	XXX XX XXXX X	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXX	XX,XXX.XX
			COUNTY CONTROL RECORD		XX,XXX.XX

Verification Number: xxxxxxxxxxxxxx

Date of Last Transmission: mm-dd-yy

SIP Practice Components

Practice Component	Availability Within Practice								
	SIP1	SIP2 * * *	SIP3	SIP4	SIP5	SIP6	SIP7	SIP8	SIP9
A new forest stewardship plan	X								
The revision of a current land management plan	X								
Plant material purchase and installation		X		X	X	X		X	X
Site preparation		X		X	X	X		X	X
Prescribed burning		X	X					X	
The control of competition and other undesirable species		X	X	X	X	X		X	
Tree shelters		X	X	X	X	X		X	
Weed barriers or mulch		X	X	X	X	X		X	X
Animal repellents		X	X	X	X	X		X	
Fertilizer		X	X	X	X	X		X	
Fencing		X	X	X	X	X	X	X	X
Noncommercial thinning			X	X				X	X
Pruning			X	X					X
Irrigation				X					
*--Firebreaks			X						
Riprap					X	X	X	X	
Gabions					X	X	X	X	
Culverts						X	X	X--*	
The design and layout of forest roads, stream crossings, drainage systems, and streamside management areas					X				
Controlling surface water					X				

SIP Practice Components, *Continued*

Practice Component	Availability Within Practice								
	SIP1	SIP2 ***	SIP3	SIP4	SIP5	SIP6	SIP7	SIP8	SIP9
BMP's for stream crossings and cross drainage on roads and trails					X				
The restoration of natural hydrology						X			
Streambank stabilization						X			
The construction and placement of habitat improvement and stocking structures							X		
The modification of habitat for threatened and endangered aquatic species							X		
Placement of instream woody debris							X		
Existing food supply enhancement							X		
The provision of spawning areas							X		
Creation of forest openings								X	X
Wildlife water facilities								X	
Wildlife corridors								X	
Artificial cavities, nest boxes, roost poles, or platforms								X	
Creation of snags								X	
Spring development								X	

SIP Practice Components, *Continued*

Practice Component	Availability Within Practice								
	SIP1	SIP2 * * *	SIP3	SIP4	SIP5	SIP6	SIP7	SIP8	SIP9
Development of green tree reservoir								X	
Establishment of threatened and endangered species of flora								X	
Modification of habitat for threatened and endangered species of flora and fauna								X	
Establishment of paths and trails									X

SIP Practice Components and Potential Technical Practice Codes

SIP Practice	Practice Component	Potential Technical Practice Codes
SIP1	Landowner Forest Stewardship Plan Development	
	A new forest stewardship plan	30
	Revision of a current land management plan	*--51--*
SIP2	Reforestation and Afforestation	
	Plant material purchase and installation	01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 652
	Site preparation	01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 652, 41
	Prescribed burning	338
	Control of competition and other undesirable species	33
	Tree shelters	36
	*--Mulching	41
	Animal repellent	32
	Nutrient management	42
	Fencing	40, 382--*

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SIP Practice Components and Potential Technical Practice Codes (Continued)

SIP Practice	Practice Component	Potential Technical Practice Codes
SIP3	Forest Improvement	
	*--Release of planted woodlands	35, 666
	Prescribed burning	338
	Control of competition or other undesirable species	33
	Conservation tree renovation	660
	Nutrient management	42
	Animal repellent	32
	Fencing	40, 382--*
	Tree shelters	36
	Firebreak	394
	--Mulching--	41
SIP4	Agroforestry Establishment, Maintenance, and Renovation	
	Plant material purchase and installation	37, 380, 392, 422, 34
	Site preparation	37, 380, 392, 422, 34, 41
	Control of competition or other undesirable species	33, 41
	Tree shelters	36
	Irrigation	441
	*--Mulching	41
	Animal repellent	32
	Nutrient management	42
	Fencing	40, 382
	Conservation tree renovation--*	37
	Noncommercial thinning	37

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SIP Practice Components and Potential Technical Practice Codes (Continued)

SIP Practice	Practice Component	Potential Technical Practice Codes
SIP5	Soil and Water Protection and Improvement	
	Plant material purchase and installation	408
	Site preparation	408
	The design and layout of forest roads, stream crossings, drainage systems, and streamside management areas, including culverts, gabions, and riprap.	408
	Water diversions	408
	*--Nutrient management	42
	Mulching	41
	Fencing	40, 382--*
	Control of competition or other undesirable species	33
	Tree shelters	36
	Animal repellent	32
	BMP's for stream crossings and cross drainage on roads and trails	408
	--Erosion control structures	20, 587--

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SIP Practice Components and Potential Technical Practice Codes (Continued)

SIP Practice	Practice Component	Potential Technical Practice Codes
SIP6	Riparian and Wetland Protection and Improvement	
	Plant material purchase and installation	29, 43
	Site preparation	29, 43
	*--Forest wetland restoration	31
	Streambank stabilization, culverts, gabions, and riprap	43
	Nutrient management	42
	Mulching	41
	Fencing	40, 382--*
	Control of competition or other undesirable species	33
	Tree shelters	36
	Animal repellent	32
SIP7	Fisheries Habitat Enhancement	
	The construction and placement of habitat improvement and stocking structures, including culverts, gabions, and riprap.	395
	The modification of habitat for threatened and endangered aquatic species	25
	Placement of instream woody debris	25, 395
	Existing food supply enhancement	25, 395
	The provision of spawning areas	25, 395
	Fencing	*--40, 382--*

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SIP Practice Components and Potential Technical Practice Codes, Continued

SIP Practice	Practice Component	Potential Technical Practice Codes
SIP8	Wildlife Habitat Enhancement	
	Plant material purchase and installation	27, 644, 645
	Site preparation	27, 644, 645
	Animal repellent	32
	Creation of forest openings	39
	*--Control of competition or other undesirable species	33
	Noncommercial thinning	25, 35, 644, 645--*
	Wildlife water facilities	648
	Wildlife corridors	27, 644, 645
	Artificial cavities, nest boxes, roost poles, or platforms	38
	Creation of snags	25, 644, 645
	Tree shelters	36
	--Mulching--	41
	Spring development	574
	Development of a green tree reservoir	644
	Culverts, gabions, and riprap	644
	Prescribed burning	338
	*--Nutrient management	42
	Fencing	40, 382--*
	Establishment of threatened and endangered species of flora	27
Modification of habitat for threatened and endangered species of flora and fauna	25	

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SIP Practice Components and Potential Technical Practice Codes (Continued)

SIP Practice	Practice Component	Potential Technical Practice Codes
SIP9	Forest Recreation Enhancement	
	Establishment of paths and trails	568
	*--Recreation area improvement	562
	Plant material purchase and installation	562, 28
	Site preparation	562, 28
	Release of planted woodlands	35
	Mulching--*	41
	Fencing	40
	Creation of forest openings	562