

For: State and County Offices

**Implementing the Biomass Crop Assistance Program's (BCAP's)
Collection, Harvest, Storage, and Transportation (CHST) Matching Payment Program**

Approved by: Acting Deputy Administrator, Farm Program



1 Overview

A Background

BCAP was authorized by Title IX of the Farm Security and Rural Investment Act of 2002, as amended by Title IX of the Food, Conservation, and Energy of 2008 (2008 Act). BCAP:

- assists agricultural and forest land owners and operators with CHST of eligible material for use in CHST-qualified Biomass Conversion Facilities (BCF's)
- supports establishing and producing eligible crops for the conversion to bioenergy through project areas and through contracts on land of up to 5 years for annual/perennial crops or up to 15 years for woody biomass crops.

On May 5, 2009, the President directed USDA to aggressively accelerate investing in and producing biofuels which included a directive that the Secretary take steps to the extent permitted by law to expedite and increase producing and investing in biofuel development efforts. The biofuel development efforts include issuing guidance and support for CHST assistance for eligible materials for use in BCF's.

The Notice of Funds Availability (NOFA) for BCAP's CHST payments was published in Federal Register (FR) on June 11, 2009, and is available on FSA's BCAP web site at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ener&topic=bcap>.

B Purpose

This notice provides policies and procedures to implement BCAP's CHST Matching Payment Program.

Disposal Date June 1, 2010	Distribution State Offices; State Offices relay to County Offices, State Forestry Agencies, State NRCS Offices, and State RD Renewable Energy Coordinators
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2 BCAP and CHST Matching Payment Program Overview

A BCAP Summary

BCAP is:

- administered by FSA on behalf of CCC
- comprised of the following 2 components:
 - BCAP's CHST Matching Payment Program
 - BCAP's Project Areas Program.

Note: Future Federal Register publications and FSA directives will be published to support the BCAP's Project Areas Program.

B CHST Matching Payment Program Overview

The CHST Matching Payment Program will provide eligible material owners matching payments for the sale and delivery of eligible material to a CHST-qualified BCF. These payments will be available to eligible material owners at the rate of \$1 for each \$1 per dry ton paid by the CHST-qualified BCF to the eligible material owners, limited to a maximum of \$45 per dry ton and limited to a 2-year payment duration.

Note: One ton equals 2,000 lbs. The dry ton equivalent is the weight of the actual biomass with zero percent moisture. For example, 45.3 actual tons of biomass with an 11.6 percent total moisture content has a dry ton equivalent of 40.0 tons ((45.3 actual tons x (1 - .116)) = 40.045 dry tons.

Under the CHST Matching Payment Program, payments are available for eligible material owners with renewable biomass obtained from a variety of sources, including crop residues. However, not more than 20 percent of the total program payments to eligible material owners will be available for crop residues from those commodities that are also eligible to receive payments under Title I of the 2008 Act.

Notes: See 8-LP, paragraph 126 and 7-CN for Title I commodities that are ineligible for the CHST Matching Payment Program.

There are no other limits.

Under the CHST Matching Payment Program, no payments or other direct monetary benefits are available for BCF's except as provided by subparagraph 3 B.

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2 BCAP and CHST Matching Payment Program Overview (Continued)

C FSA's BCAP Web Site

The following general CHST Matching Payment Program information will be available through FSA's BCAP web site at

www.fsa.usda.gov/FSA/webapp?area=home&subject=ener&topic=bcap:

- summary of the 2008 Act's BCAP statutory provisions in bullet format
- BCAP Federal Register documents and BCAP notices
- current BCAP CHST Eligible and Ineligible Materials List
- downloadable BCF Memorandum of Understanding (MOU) template and attachments
- AD-1047
- national list of CHST-qualified BCF's
- press releases, fact sheets, etc.
- related BCAP documents
- summary of enrollment statistics when available.

D Eligible Material Requirements

The following rules apply to eligible material for CHST matching payments, as verified by the FSA County Committee (COC) or designees.

- The eligible material must be listed as eligible on the official BCAP CHST Eligible and Ineligible Materials List. The current BCAP CHST Eligible and Ineligible Materials List will be maintained on FSA's BCAP web site. Only materials listed as eligible material are eligible for payment.
- Any material which is sold or delivered:
 - to any facility that is **not** a CHST-qualified BCF, is ineligible for payment
 - before the eligible material owner applies for payments and is approved for payment using AD-245, page 1, by COC, is ineligible for payment.
- Eligible material must be harvested or collected from sites in the U.S. or U.S. territories. Eligible material not originating from the U.S. or U.S. territories, including the source material used by intermediate factories/facilities, is ineligible for CHST payment.
- Eligible material for which a payment has already been applied, approved, earned, or is subject to a scheme or device to circumvent program rules or requirements, is ineligible for CHST matching payment.

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2 BCAP and CHST Matching Payment Program Overview (Continued)

D Eligible Material Requirements (Continued)

- To qualify for the CHST Matching Payment Program, eligible material must be harvested or collected according to the following:
 - if removed from U.S. National forests or Bureau of Land Management (BLM) public lands, the eligible material collection and harvesting must be done according to all laws and regulations that apply to the Forest Service or BLM, including adherence with all necessary contracts or permits issued by the responsible officials
- Note:** Materials removed from other Federal lands is ineligible material and ineligible for payment.
- if removed from Tribal, State, and other local Government-owned land, the eligible material collection and harvesting activities must be done within all applicable laws, ordinances, permit requirements, and other environmental requirements of the Federal, Tribal, State, or local Government
 - if removed from privately-owned land, including cropland, pastureland, rangeland, and forestland, the eligible material's collection and harvesting must be done within all applicable laws, ordinances, permit requirements, and other environmental requirements of the Federal, Tribal, State, or local Government pertaining to private land in that jurisdiction
 - if removed from private cropland, the eligible material collection and harvesting activities must be done consistent with conservation plans required for highly erodible land (HEL) as determined by NRCS under Title XII of the Food Security Act of 1985, as amended
 - if removed from nonindustrial private forestland, the eligible material collection and harvesting activities must be done according to a new or amended Forest Stewardship Plan (FSP), or other practice plan approved by the State forester. FSP's need to be created or amended at no expense to CCC
 - if eligible material is removed from CRP contract acreage, the material must be harvested or collected under CRP's managed haying and grazing requirements according to 2-CRP, Part 13
 - if removed from land enrolled under any other Federal, State, or local private lands programs, the eligible material must have been harvested or collected in full compliance with those program rules and requirements
 - eligible material must be collected and harvested in compliance with Executive Order 13112, February 3, 1999 (64 FR 25).

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3 Step 1, Qualifying BCF's

A BCF's

BCF's are facilities that convert eligible material into heat, power, biobased CHST products, advanced biofuels, or any combination of these. FSA will only make CHST matching payments to eligible material owners who sell and deliver eligible material to a CHST-qualified BCF.

Note: See the BCAP CHST Eligible and Ineligible Materials List on FSA's BCAP web site for the specific types of biomass and biobased CHST products eligible for payment.

BCF is a facility that produces either of the following:

- heat, power, advanced bio-fuels, or bio-based CHST products at the facility itself
- fuel or other CHST biobased products from eligible material, for subsequent sale or transfer to other facilities.

B Qualifying BCF's

To become a CHST-qualified BCF, the authorized representative of the facility must complete and submit 3 original MOU's, in addition to other related forms and documents to the State Office for signature and approval. MOU and BCF CHST-qualification will go into effect when **both** parties sign MOU.

Each facility **must** enter into a separate MOU regardless of whether 1 owner has multiple BCF's.

Notes: The official MOU and instructions for completion and submission, when available, will be posted on FSA's BCAP web site at www.fsa.usda.gov/FSA/webapp?area=home&subject=ener&topic=bcap.

No changes are authorized to MOU unless pre-approved by DAFP.

CHST-qualified BCF's are required to operate BCF's and conduct all eligible material purchases according to terms and conditions in MOU and related forms.

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3 Step 1, Qualifying BCF's (Continued)

B Qualifying BCF's (Continued)

To be determined a CHST-qualified BCF, the:

- facility must be:
 - BCF able to produce heat, power, bio-based products, advanced biofuels, or any combination of these items from eligible material
 - have the potential to produce heat, power, bio-based products, advanced biofuels, or any combination of these items from eligible materials as determined by STC
- facility must meet or be expected to meet, as determined by STC, all applicable regulatory and permitting requirements by applicable Federal, State, or local authorities
- facility's authorized representative or representatives must agree in writing to **both** of the following:
 - maintaining accurate records of all eligible material purchases and related documents regardless of whether CHST matching payments will be sought by the eligible material owners
 - making available at 1 place and at all reasonable times for examination by representatives of USDA, all spreadsheets, books, papers, records, contracts, scale tickets, settlement sheets, invoices, written price quotations, or other documents about the program that is within the control of the facility for not less than 3 years from the eligible material purchase date
- facility shall be located in the U.S. or U.S. territories and an entirely separate legal entity from eligible material owners and conduct purchases of the eligible material from the owners using arms-length transactions

Notes: An arm's-length transaction is a transaction between ready, willing, and able disinterested parties who are **not** affiliated with or related to each other and have **no** security, monetary, or stockholder interest in each other, except that members of an association of agricultural producers, farmer cooperative organizations, or a farmer cooperative, may deliver and sell, at market rates, eligible material to BCF's owned by such associations, organizations, or cooperatives notwithstanding whether they have a monetary or stockholder interest in and maybe considered arm's length transactions if determined by COC or designees.

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3 Step 1, Qualifying BCF's (Continued)

B Qualifying BCF's (Continued)

BCF's which own or control eligible material are:

- prohibited from selling it to a third party for subsequent resale back to the same BCF to allow the third party to qualify for CHST matching payments

Note: This action is considered a scheme or device to violate BCAP CHST purposes.

- allowed to sell eligible material to other CHST-qualified BCF's, if the facility representative determines the material to be unsuitable for their uses and the transaction is arm's-length

Note: The CHST-qualified BCF selling the eligible material then qualifies as biomass owner and is eligible for CHST matching payment, provided the payment is **not** duplicative and according to payment restrictions in subparagraph 2 D.

- facility agrees to purchase eligible material only on a dollar per dry ton weight equivalent basis and must agree to provide the eligible material owner a signed scale ticket clearly indicating the following:
 - actual total tonnage delivered
 - total dry-weight tonnage equivalent purchased written on the scale ticket
 - authorized representative's signature written on the scale ticket

Note: There are **no** restrictions prohibiting BCF's from using biomass from their own sources of noneligible material biomass, or purchasing/acquiring other noneligible material biomass from other sources for use along with CHST eligible material in the conversion processes.

- facility has access to commercial weight scales that are certified for accuracy by applicable State or local authorities and accurate moisture measurement equipment to determine the total dry-weight tonnage equivalent of actual total tonnage delivered
- facility agrees to the terms and conditions of MOU, AD-1047, and related documents

Note: AD-1047 will require the owners of applying BCF's to certify that the applying facility and its principals are in compliance with 7 CFR Part 3017 and not subject to disbarment or suspension.

- facility agrees not to discriminate against eligible material sellers based on race, color, national origin, sex, religion, age, disability, political beliefs, and marital or familial status, or affiliation/non-affiliation with farmer/producer cooperatives or other business arrangements.

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3 Step 1, Qualifying BCF's (Continued)

B Qualifying BCF's (Continued)

BCF must provide the following to the State Office:

- copies of all environmental, health, and safety permits and licenses with MOU, if applicable
- completed and signed 3 original MOU's, with related forms and documents.

Note: Provide copies of related documents as indicated in the instructional materials posting on FSA's BCAP web site.

After the facility becomes CHST-qualified, BCF shall agree to allow USDA to promote the existence of the facility and make general information about the facility, and its biomass needs, available to the public to help foster development of open markets for renewable biomass.

C State Office Review and Qualification

State Offices shall review submissions for qualification according to instructional materials posted on FSA's BCAP web site and in this notice.

For BCF's that submit all necessary documents and meet all the requirements for qualification, as determined by FSA, SED is authorized to sign MOU.

If there is missing, incomplete, or inaccurate data, the State Office will notify BCF of the deficiencies. Only those submissions that are complete and accurate may be approved.

The State Office shall send electronic copies of all approved MOU's and attachments in a single e-mail to the National Office according to instructional material available on FSA's BCAP web site.

Note: E-mails shall be sent to cepdmail@wdc.usda.gov.

The National Office will assign a unique identification number for the CHST-qualified BCF, after electronically receiving all required information.

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3 Step 1, Qualifying BCF's (Continued)

C State Office Review and Qualification (Continued)

CEPD will, within 5 workdays of electronically receiving all required materials, add the CHST-qualified BCF to the National CHST-Qualified BCF List on FSA's BCAP web site.

After a facility ID number has been assigned by the National Office, the State Office shall:

- notify the owners of CHST-qualified BCF that MOU has been approved
- record the facility ID number from the BCAP web site on all 3 original MOU's
- return 1 signed original MOU to BCF
- notify applicable State and County Offices in the CHST-qualified BCF's region and sister USDA agencies about the CHST-qualified BCF
- initiate outreach and public information activities about CHST-qualified BCF.

D BCF Disqualifications

CHST-qualified BCF's can be removed upon BCF request or BCF violates the terms and conditions in MOU.

BCF's that falsify receipts, scale receipts, or other eligible material transaction documents may be disqualified and possibly subject to legal action.

If BCF is suspected of being in violation, the State Office shall:

- notify BCF of the suspected violation
- allow the facility 20 calendar days to respond in writing to the suspected violation
- review the response from BCF to determine a decision about recommendation for the appropriate response
- forward the review and decision recommendation to the National Office.

The National Office may disqualify BCF's permanently, or for a period of 30 calendar days to 2 years, depending on the nature of the violation.

State and County Offices shall notify CEPD, in writing, of any CHST-qualified BCF's for which factual grounds for possible disqualification exists and include copies of all related factual information in a case file.

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3 Step 1, Qualifying BCF's (Continued)

E CHST-Qualified BCF County Office Outreach

All County Offices in the general region of CHST-qualified BCF is located shall:

- maintain a public register of CHST-qualified BCF's and related facility information in the County Office
- promote and notify the general public in areas where a new BCF has been CHST-qualified and release information about BCF to encourage market development for renewable biomass sales.

4 Step 2, Eligible Material Owners and CHST-Qualified BCF's Enter into Sales Contracts, Purchase Commitment Agreements, or Nonbinding Letters of Intent for Eligible Material Sales and Delivery

A Required Copies and Content

Copies of written sales contracts, purchase commitment agreements, or nonbinding letters of intent, for eligible material delivery and sale between the eligible material owners and a CHST-qualified BCF, must be submitted to the County Office **before** application for payment on AD-245, page 1, can be approved by COC.

These sales documents must contain all the estimated items according to subparagraph 5 F, for use by the County Office when eligible material owners apply for CHST matching payments.

5 Step 3, Eligible Material Owners Apply for CHST Matching Payments

A County Office Preparation Before the Start of BCAP CHST Signup and Conducting Signups

After BCF becomes qualified by the State Office, CEPD will allocate funds to applicable County Offices in the region based on projected annual eligible material needs for BCF's.

Notes: The following 2 separate CHST fund codes will exist for:

- agricultural resources
- Federal woody resources, non-Federal woody resources, herbaceous resources, and industrial and other resources.

State and County Offices do **not** have the authority to transfer funds between CHST fund codes.

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5 Step 3, Eligible Material Owners Apply for CHST Matching Payments (Continued)

A County Office Preparation Before the Start of BCAP CHST Signup and Conducting Signups (Continued)

County Offices:

- will receive CCC-357 and maintain automated CRES ledgers to record matching payment approvals (obligations) and payments from AD-245 data
- **must** first obtain sufficient allocations of CHST funds from the State Office and post CHST funds, according to 1-CONSV, on the CRES ledger **before** approving requests for CHST matching payments
- shall notify State Offices of pending CHST Matching Payment Program requests for which additional allocations will likely be needed to help ensure that funds are re-allocated between County Offices optimally.

After an allocation has been received, CHST signup opportunities shall be announced for eligible material owners by applicable County Offices and shall continue indefinitely on a continuous signup year-round basis, provided allocations are available.

County Offices shall provide a copy of the CHST Matching Payment Program Fact Sheet, NOFA, this notice, and other appropriate materials to all individuals who inquire about BCAP.

B Verifying Eligible Material Ownership before Approving CHST Matching Payment Applications

An eligible material owner is a person or entity that has the legal right to collect or harvest eligible material and has legal ownership of such eligible material for delivery and sale to a CHST-qualified BCF.

COC or designees shall verify eligible material ownership on private lands.

If the applicant is not the owner of the land from which the eligible material was removed, the applicant must provide a copy of a written agreement that authorizes removal of the eligible material to the County Office.

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5 Step 3, Eligible Material Owners Apply for CHST Matching Payments (Continued)

B Verifying Eligible Material Ownership before Approving CHST Matching Payment Applications (Continued)

The agreement shall:

- indicate the assignment of the legal right for collection or harvest to the applicant and contain the land owner's and tenant's signatures
- be submitted to the County Office for reproduction as a part of the applicant's application for CHST matching payments.

On all public lands, the person or entity must have the right to collect or harvest the eligible material according to a contract or permit with the appropriate authority.

Federal agencies, departments, or any other Federal entities are **not** eligible owners and **not** eligible to receive CHST matching payments. However, State, county, and other local governments, and other local governmental entities may themselves qualify as eligible material owners and receive CHST matching payments if all other eligibility criteria and program requirements are met.

Exception: Payments may be issued to Department of Interior, Bureau of Indian Affairs on behalf of an applicable Tribe according to 1-CM.

In cases where eligible material comes from intermediate BCF's, factories, industrial plants, or other related facilities, the ownership of the eligible material can be the intermediate BCF.

Note: Intermediate biomass conversion facility owners are **not** eligible to receive CHST matching payment for any eligible material for which CCC previously issued a CHST payment when previously sold and delivered according to subparagraph 2 D.

C Pre-Application Requirements for CHST Matching Payments

Owners with authority to sell eligible material must first apply for a CHST matching payment at the County Office **before** sale or delivery of the eligible material to qualify for CHST matching payment. Owners must apply by submitting AD-245, page 1, **before** delivering and selling eligible material to CHST-qualified BCF.

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5 Step 3, Eligible Material Owners Apply for CHST Matching Payments (Continued)

C Pre-Application Requirements for CHST Matching Payments (Continued)

Eligible material owners who plan to deliver eligible material to multiple CHST-qualified BCF's are required to submit separate AD-245, page 1, applications for CHST matching payment for **each** CHST-qualified BCF for which eligible material is planned to be sold and delivered.

Note: Eligible material owners may plan to have more than 1 contract with each CHST-qualified BCF. Eligible material owners must submit separate AD-245, page 1 applications for each contract.

Eligible material owners who plan to deliver eligible material to one CHST-qualified BCF are required to submit AD-245, page 1, applications for CHST matching payment to the County Office with administrative authority over the private land from which the eligible material is removed, or for biomass harvested or collected from public lands, the County Office, nearest the CHST-qualified BCF, which has received an allocation of CHST funds.

Note: County Offices that receive an application for CHST matching payments and do **not** have a CHST allocation should contact the State Office and request any needed allocation.

D Conservation Information for Eligible Material Owner Applicants

County Offices shall inform eligible material owner applicants that remove eligible material from private lands about the compliance requirements for private lands according to subparagraph 2 D.

E CHST Matching Payment Eligibility

FSA will make CHST matching payments only to eligible material owners. AD-245, page 1's for CHST matching payments shall **only** be approved by COC for a person or entity that will be able to demonstrate that the person or entity has:

- legal control of the eligible material
- sold and delivered eligible material to a CHST-qualified BCF on a per dry-weight ton basis
- **not** exceeded the 2-year limit payment duration limit, which begins on the date of the initial AD-245, page 1 approval.

Note: Exactly 2 full calendar years after this date, COC shall **not** approve any additional AD-245, page 1's requests for the person or entity.

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5 Step 3, Eligible Material Owners Apply for CHST Matching Payments (Continued)

F Application for Payment Process

An eligible material owner must submit AD-245, page 1, according to 1-CONSV, for CHST matching payment with information that includes the following:

- estimated quantity, in total actual tons, and estimated dry-weight tonnage equivalent, of eligible material expected to be sold and delivered, per the terms of the contract, agreement, or letter of intent
- expected types of eligible material to be delivered and sold
- expected names of the CHST-qualified BCF that will purchase the eligible material

Note: The County Office shall verify that the expected facility is a CHST-qualified facility at the beginning of the AD-245, page 1 application process.

- contracted, or agreed upon, price per dry ton expected to be received for each type of eligible material to be sold and delivered
- dates the eligible material is expected to be delivered to the facility
- expected eligible material delivery locations of the CHST-qualified BCF
- expected locations from which of the eligible material is to be harvested or collected.

Notes: CHST-qualified BCF's may designate acceptable delivery locations.

The County Office shall verify the expected eligible material point of origin (practice location) is CHST-eligible before AD-245, page 1 approval.

After COC or designee approves AD-245, page 1, the applicants must be provided a written copy of the signed AD-245.

Ineligible or incomplete AD-245, page 1 applications shall **not** be approved.

If an application is determined to be ineligible for any reason, the County Office shall provide the applicant with written notification that outlines the reasons for denial and communicates to the applicant the applicable appeal rights.

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6 Step 4, Eligible Material Owners With Approved Applications Submit Payment Requests After Selling and Delivering Eligible Material to CHST-Qualified BCF's

A CHST Matching Payment General Provisions

After eligible material sales and deliveries under arms-length sale transactions, owners **must** submit AD-245, page 2 to notify the County Office and request CHST matching payment for approval by COC.

CHST matching payments shall be disbursed only **after** all required documents are submitted to the County Office.

Note: For any individual AD-245, page 2, that exceeds \$50,000, **before** payment approval, the County Office shall verify actual delivery and sale of the eligible material with an on-site inspection to verify actual biomass delivery and to review the CHST-qualified BCF's Eligible Material Purchase List for accurate record consistency.

Before payment approval, COC **must** determine that the eligible material was sold and delivered under all CHST Matching Payment Program requirements including the "arm's-length transaction" requirement in subparagraph 3 B.

B Qualifying for CHST Matching Payments

To receive CHST matching payments, eligible material owners must submit a "Request for Payment" using AD-245, page 2, to the County Office where the application was originally made and include the following.

- Copy of the original scale ticket or tickets, clearly indicating the total actual tonnage or actual pounds (lbs.), of eligible material sold, delivered, and signed by the authorized representatives of the CHST-qualified BCF, as well as a total dry-weight tonnage equivalent amount determined by the CHST-qualified BCF using accurate moisture measuring equipment.
- Copy of each invoice, paper check, or receipt, reflecting the total payment received for delivery of the eligible material; each invoice or check must also be annotated and initialed by the authorized representatives of the CHST-qualified BCF in pen and ink clearly indicating the per-dry ton payment rate the facility paid the owner for the eligible material delivery.

Note: The annotation for the invoice, paper check, or receipt shall contain the following:

- CHST-qualified BCF facility identification number and name
- names of the CHST-qualified BCF authorized representatives that purchased and received the eligible materials
- date of the actual delivery

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6 Step 4, Eligible Material Owners With Approved Applications Submit Payment Requests After Selling and Delivering Eligible Material to CHST-Qualified BCF's (Continued)

B Qualifying for CHST Matching Payments (Continued)

- eligible material type by common use name
 - net weight recorded in total tons and the dry-ton (2,000 lb. ton basis) equivalent
 - payment total or price for each purchase
 - price per dry ton paid
 - person or entity that delivered the eligible material
 - eligible material owners name at the time of delivery.
- If applicable, a copy of each bill of lading issued by any third party carrier for delivery of the eligible material to the CHST-qualified BCF.
 - Points of origin (practice location) of the eligible material.
Note: Points of origin (practice locations) are the physical locations of the land/sites, or intermediate facilities.
 - For eligible material harvested or collected from nonindustrial private forest land in locations for which State forestry agencies shall prepare FSP's according to subparagraph 2 D.
 - For eligible material harvested or collected from National Forest Systems, BLM lands, State, or locally-owned land copies of harvesting or collecting permits or agreements.

C CHST Matching Payment Policies

CHST matching payments:

- have no "per person" payment limits
- have no "AGI" payment eligibility requirements
- may be divided between landlords and tenants
- may be assigned to third parties, excluding the applicable CHST-qualified BCF's, if requested by the participant
- are subject to Federal claims and other valid set-offs, and Prompt Payment Act provisions
- are to be issued by direct deposit using the System 36/AS-400.

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6 Step 4, Eligible Material Owners With Approved Applications Submit Payment Requests After Selling and Delivering Eligible Material to CHST-Qualified BCF's (Continued)

D County Offices CHST Matching Approval Requirements

Before approving or issuing CHST matching payments, COC shall verify the following:

- authenticity of the receipts and other documents
- any individual payment request which exceeds \$50,000, actual delivery and sale of the eligible material with an on-site inspection, and, at-facility, review the CHST-qualified BCF's Eligible Material Purchase List.

E Handling Payments and Performance Data

COC shall:

- review the data and determine that participants have submitted all necessary documents
- approve the payment on AD-245, page 2, and certify practice performance on AD-862.

County Offices shall record performance data on AD-862, including the following:

- CHST-qualified BCF identity number which purchased the eligible material
- when requested by owners, calculate and disburse CHST payments in CRES using multiple partial payments for a single approved AD-245, page 1, when eligible material is sold and delivered to CHST-qualified BCF in incremental short tonnage units limited to those payments within FY
- calculate payments based on actual (dry weight equivalent) tonnage of eligible material delivered and sold

Note: In the case of the delivery of different types of eligible materials **each type's** actual tonnage (dry weight equivalent) shall be calculated and the sum of these types will be the total calculated payment.

- round the dry weight equivalent short tonnage amount for payment calculation to the nearest 1/10th of a ton according to 3-CM, paragraph 3
- calculate payments to the nearest whole dollar according to 3-CM, paragraph 3.