

U. S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation (CCC)

**APPENDIX TO FORM NRCS-CPA-1202
CONSERVATION PROGRAM CONTRACT**
For
Environmental Quality Incentives Program (EQIP)

1 PROGRAM ELIGIBILITY REQUIREMENTS

- A** The Participant must complete and file Form AD-1026 (Highly Erodible Land Conservation and Wetland Conservation Certification) and meet the requirements set forth therein, in accordance with the Food Security Act of 1985, as amended. By signing this Conservation Program Contract (Contract), the Participant certifies that the Participant has completed and filed the AD-1026 and meets the requirements set forth in the Highly Erodible Land Conservation-Wetland Conservation (HELC-WC) provisions. AMA participants are not required to meet the HELC-WC provisions.
- B** The Participant must meet the requirements of, complete and file Form CCC-926 (Payment Eligibility Average Adjusted Gross Income Certification). By signing this Contract, the Participant certifies that the Participant has met the requirements of, completed and filed Form CCC-926. A person or legal entity shall not be eligible to receive any benefit during a crop, fiscal, or program year, as appropriate, if the average adjusted gross non-farm income of the person or legal entity exceeds \$1,000,000, unless not less than 66.66 percent of the average adjusted gross income of the person or legal entity is average adjusted gross farm income. The amount of any payment or benefit shall be reduced by an amount that is commensurate with the direct and indirect ownership interest in the entity of each person who has an average adjusted gross income, average adjusted gross farm income, or average adjusted gross non-farm income in excess of the applicable limitation specified. This limitation may be waived on a case-by-case basis by the NRCS Chief as allowed by the authorizing legislation.
- C** The Participant must complete and file Form CCC-901 (Member's Information), or its equivalent, if the Participant represents a business classified as a legal entity or joint operation by the U.S. Department of Agriculture (USDA) under 7 CFR part 1400.
- D** The Participant must have control of the land for this Contract period. By signing this Contract, the Participant certifies that the Participant will control the land subject to this Contract for the term of this Contract and shall, upon request, provide evidence to Commodity Credit Corporation (CCC) demonstrating that such Participant will control the land for that period. Where applicable, the Bureau of Indian Affairs and the Natural Resources Conservation Service (NRCS) will determine Tribal land eligibility.
- E** The Participant shall not be eligible for Contract payments for any of the following: (1) practices that are required to meet HELC and WC compliance requirements found in 7 CFR part 12 (not applicable to AMA participant); (2) practices that are included in maintenance agreements

(with financial reimbursements for maintenance) that existed prior to participation; (3) a non-land based structure that is not integral to a land based practice; and (4) practices that were applied with financial assistance through any other USDA conservation program.

- F** Land otherwise eligible for the covered conservation programs shall not be eligible if the land is subject to a deed or other restriction prohibiting the application of the conservation plan and associated practices, or where a benefit has or will be obtained from a Federal, or State agency (including political subdivisions and entities thereof) in return for the Participant's agreement not to implement the conservation plan and associated practices on the land during the same time as the land would be enrolled in this Contract. By applying for the program Contract, the Participant certifies as a condition for payment that no such restrictions apply to the subject land. In regard to WHIP, NRCS shall not provide cost-share assistance for conservation practices or activities on public land.
- G** The Participant is responsible for obtaining the authorities, permits, easements, or other approvals necessary for the implementation, operation, and maintenance of the conservation practices and activities in accordance with applicable laws and regulations. A Participant must comply with all laws and is responsible for all effects or actions resulting from the Participant's performance under this Contract.

2 OFFERS FROM APPLICANTS

Form NRCS-CPA-1200, Conservation Program Contract Application, and this NRCS-CPA-1202-CPC (Appendix) represents a request to enter into the program under the terms specified in this Contract.

3 AGREEMENT

The Participant agrees to:

- (1) Place eligible land into the program for the period of time as specified on Form NRCS-CPA-1202 beginning on the date this Contract is executed by CCC;
- (2) Not start any financially assisted practice or activity or engage the reimbursable services of a certified Technical Service Provider (TSP) before this Contract is executed by CCC unless a waiver is approved by NRCS. The Participant may request, in writing, a waiver of this requirement for financially assisted practices by the NRCS State Conservationist (STC), or designee;
- (3) Secure funding for the desired services of a TSP through contract development or contract modification with NRCS before engaging the services of a TSP;
- (4) Apply or commence a financially assisted practice within the first 12 months from the date this Contract is signed by NRCS.
- (5) Complete all practices at least one year before the expiration date of the Contract;

- (6) Establish, to NRCS Standards and Specifications, conservation practices or activities described in this Contract as scheduled, to operate and maintain these practices or activities for the intended purpose and life span identified in this Contract, and to comply with the terms and conditions of this Contract and all applicable Federal, State, Tribal, and local laws. In cases where the land is transferred to new ownership during the contract period, the Participant must also ensure these responsibilities are transferred to subsequent owners;
- (7) Notify NRCS within 60 days of the transfer of interest to an eligible transferee who accepts the contract's terms and conditions by completing the Transfer Agreement, Form NRCS-CPA-152, or the contract will be terminated;
- (8) Share responsibility for ensuring that Form NRCS-CPA-1155, Conservation Plan or Schedule of Operations, is accurate and complete. NRCS has no authority to compensate participants for practices and/or activities that are not in the Contract at the time of obligation;
- (9) Not undertake any action on land under the Participant's control which tends to defeat the purposes of the program, as determined by CCC;
- (10) Discontinue work in the general area of the site and notify NRCS immediately if during the construction of any practice a previously unidentified endangered species, archeological, or historical site is encountered;
- (11) Provide receipts, as necessary, as proof of payments, and to maintain proof of payment documentation for three (3) years after the end of the Federal fiscal year in which the practice or activity was completed, and to present this documentation to CCC within 30 days if selected for administrative compliance check;
- (12) Allow access to the land under Contract to the CCC representative or their agent, including Technical Service Providers representing NRCS, for monitoring progress on this Contract;
- (13) Supply records and information as required by CCC to determine compliance with the Contract and requirements of the program within 30 days of request;
- (14) Develop and implement all practices identified in a comprehensive nutrient management plan in those contracts that include a waste storage or treatment facility; develop and implement all practices identified in a forest management plan; and develop and carry-out an organic system plan or those conservation practices that are consistent with an organic system plan for contracts funded under EQIP, 16 U.S.C. 3839; and
- (15) Accept applicable program payment limits: The Participant, defined as a person, or legal entity hereby agrees that the total amount of all payments received in any of the covered programs do not exceed the following:

- **AMA** - payments received by a Participant from all AMA sources (NRCS, RMA, and AMS or any legal entity acting on behalf of these agencies), shall not exceed a total of **\$50,000 per Participant for any fiscal year**;
- **WHIP** - payments made to a Participant directly or indirectly, under the program may not exceed, in the aggregate, **\$50,000 per fiscal year**;
- **EQIP** - payments made to a Participant in fiscal years **2009 – 2014** may not exceed an aggregate of **\$300,000**, directly or indirectly, for all contracts, including prior year contracts during this six-year period; except for waivers granted for projects having special environmental significance, in such cases the payments will be limited to \$450,000; and
- **EQIP-Organic** - payments for conservation practices related to organic production to a Participant directly or indirectly, may not exceed in aggregate **\$20,000 per fiscal year or \$80,000 during any six-year period**.

(a) The following items are applicable to all of the above listed programs:

(i) Payments received in excess of these limits are subject to refund.

(ii) Annual payment limitations may not be waived.

(iii) Split payments are not allowed. When payment requests for satisfactorily completed practices exceed the annual limitation for a person or legal entity, that portion that exceeds the limitation will not be deferred to the next FY. The balance will be deobligated.

(iv) Certification of satisfactorily completed practices will not be delayed or postponed to circumvent the annual payment limitations.

4 CONSERVATION PLAN

By signing the Contract, the Participant agrees:

- (1) That the NRCS-CPA-1155, Conservation Plan or Schedule of Operations is hereby incorporated as a part of the Contract; and
- (2) To implement and maintain the practices and activities as identified and scheduled on Form NRCS-CPA-1155 and in compliance with Paragraph 6 of this Appendix—Operation and Maintenance of Conservation Practices.

5 PAYMENTS

A Subject to the availability of funds, CCC will make payments at the rate and applied amount specified in this Contract after a determination by CCC that an eligible conservation practice or activity has been established in compliance with the conservation plan, and in accordance with appropriate standards and specifications. In order to receive payments, the Participant, upon technical certification of the completed practice or activity, must execute and file with CCC a Form NRCS-CPA-1245, Practice Approval and Payment Application, along with any receipts, as necessary.

- B** Payments will be issued based on the payment rate and the applied amount as documented on Form NRCS-CPA-1245. Form NRCS-CPA-1155, Plan/Schedule of Operations and Form NRCS-CPA-1156, Revision of Plan/Schedule of Operations or Modification of a Contract reflect payment rates in effect for the year of Contract obligation. **Subject to the availability of funds**, payments for a practice implemented according to or ahead of schedule **may** be increased to reflect an indexed payment based on the Engineering News Record Construction Cost Index and Prices Paid Index in effect for the year the practice is completed. The indexed payment increase shall not exceed 25% of the payment rate as shown on the Form NRCS-CPA-1155 or Form NRCS-CPA-1156. A conservation practice that requires modification to delay application will not receive the increased payment, but will be paid based on the payment rate applicable to the originally scheduled year.
- C** In order to be reimbursed for technical services approved under this agreement and performed by a certified TSP hired by the Participant, a Participant must execute a request for payment on Form NRCS-CPA-1245. The Participant must also submit to CCC an invoice from the TSP for the work performed, as well as any documentation CCC may require in order to ensure that the technical services were carried out in accordance with NRCS requirements.
- It is the Participant's responsibility to ensure that the technical services obtained from a TSP hired by the Participant meet program requirements. CCC will not reimburse the Participant if the technical services provided by the TSP do not meet the program requirements. If CCC terminates this Contract as provided under Paragraph 11 of this Appendix, CCC may seek refund of any TSP payments made to the Participant.
- D** All payments received as part of a Contract are reported to the United States Internal Revenue Service (IRS). For information related to tax liabilities, consult with a tax accountant or refer to IRS publication 225, Farmers Tax Guide.
- E** Payments will only be issued for practices or activities that meet or exceed the practice standards described in the NRCS Field Office Technical Guide.
- F** Collection of amounts due from a Participant for improper payment or any other reason will follow procedures of the Debt Collection Improvement Act of 1996. NRCS will notify the Participant to identify the reason for the collection and the amount owed. Based on this notification, a bill will be entered into the National Finance Center's IBIL (Internet Billing). Unpaid bills accrue interest beginning 30 days after the billing date at the current value of funds rate published in the Federal Register by the United States Department of Treasury.
- G** Any Participant that will receive financial benefit from the implementation of this Contract must be a signatory on the Contract. Unless signature authority is not granted or assigned on the Contract, any Participant on the Contract may approve payment applications for the Contract.
- H** Any payment that has or will be received through another USDA program or from other sources must be disclosed to the NRCS Approving Official at the time a payment application is filed. NRCS may reduce payments to account for the funds received from other sources.

- I Historically underserved EQIP participants may receive advance payments up to 30 percent of the amount needed to implement conservation practices for the purpose of purchasing "immediately needed" materials and services. The scheduled practice for which the advance is requested must have a NRCS approved design prior to issuance of the advance payment. Participants must complete the practice within 30 days of advance payment approval. The State Conservationist may extend this amount of time on a case by case basis. Advanced payments will be subject to all terms and conditions including those identified in Paragraph 12 of this Appendix—Recovery of Costs.
- J If a Participant receiving a Contract payment is indebted to another Federal agency and the outstanding debt has been referred to the Treasury Offset Payment System, the Contract payment due to the Participant will be reduced by Treasury for the amount owed the U. S. Government. The Participant will not be notified by NRCS that a payment offset has occurred and NRCS records will reflect full Contract payment to the Participant.

6 OPERATION AND MAINTENANCE OF CONSERVATION PRACTICES (Operation and Maintenance Agreement)

The Participant agrees to the operation and maintenance (O&M) of all conservation practices included within this Contract.

These practices shall be operated and maintained for the practice lifespan as listed on Form NRCS-CPA-1155, Conservation Plan or Schedule of Operations, and any subsequent practices resulting from revisions on Form NRCS-CPA-1156, Revision of Plan/Schedule of Operations or Modification of a Contract. This requirement also extends to those conservation practices installed before Contract execution, but included in the Contract to obtain the environmental benefits agreed upon in the ranking process.

- A The term O&M as used in the Contract shall collectively include:
- **Operation:** The administration, management, and performance of non-maintenance activities necessary to keep a practice safe and functioning as planned;
 - **Maintenance:** The recurring activities necessary to retain or restore a practice in a safe and functioning condition, including, but not limited to, the management of vegetation, the repair or replacement of failed components or conservation practices, the prevention or treatment of deterioration, and the repair of damages caused by vandalism or negligence, but excluding damage caused by a local, state or nationally recognized natural disaster;
 - **Repair:** The actions to return a deteriorated, damaged, abandoned, or failed practice and/or component to an acceptable and functional condition; and
 - **Replacement:** The removal of a practice or component and installation of a similar, functional practice or component.
- B The Participant is responsible for the O&M activities and acknowledges that these activities may require labor, funds, and management in order to ensure the appropriate program purposes are met.

- C** The Participant O&M responsibilities begin when the practice installation is completed, as determined by NRCS, and shall continue through the end of the practice lifespan.
- D** The Participant acknowledges that the "practice lifespan" is the time period in which the conservation practices are to be used and maintained for their intended purposes as defined by NRCS technical references and documented on either Forms NRCS-CPA-1155 or NRCS-CPA-1156.
- E** Specific O&M requirements for conservation practices covered within this Contract are defined in the conservation practice standard and are documented within the conservation plan narrative, Contract provision, and/or job sheet.
- F** The Participant acknowledges that conservation practices installed before the contract execution, but included in the Contract to obtain the environmental benefits agreed upon within the application ranking process, must be operated and maintained as specified in the Contract and within this paragraph.
- G** The Participant agrees to the O&M requirements as listed within this Paragraph (6) and failure to carry-out the terms and conditions listed may result in CCC termination of this Contract. (Refer to Paragraph 11 of this Appendix—Contract Termination).

7 PROVISIONS RELATING TO TENANTS AND LANDLORDS

No payment will be approved for the current year if CCC determines that any of the following conditions exist:

- (1) The landlord or operator has not given the tenants that have an interest in the agricultural operation covered by the Contract, or that have a lease that runs through the Contract term at the time of sign-up, an opportunity to participate in the benefits of the program.
- (2) The landlord or operator has adopted any other scheme or device for the purpose of depriving any tenant of any benefits to which such tenant would otherwise be entitled. If any such conditions occur or are discovered after payments have been made, all or any part of the payments, as determined by CCC, must be refunded according to Paragraph 5F of this Appendix and no further payments shall be made.

8 MISREPRESENTATION AND SCHEME OR DEVICE

- A** A Participant who is determined to have erroneously represented any fact affecting a determination with respect to this Contract and the regulations applicable to this Contract, adopted any scheme or device which tends to defeat the purposes of this Contract, or made any fraudulent representation with respect to this Contract, will not be entitled to payments or any other benefits made under this Contract. The Participant must refund to CCC all payments received plus interest. In addition, CCC may terminate the Participant's interest in all conservation program contracts.
- B** CCC will charge interest on monies it determines to be due and owing to CCC under this Contract. Under debt collection procedures, unpaid bills accrue

interest beginning 30 days after the billing date. The interest rate will be determined using the current value of funds rate, published annually in the Federal Register by the United States Department of Treasury.

- C** The provisions of Paragraph 8A of this Appendix shall be applicable in addition to any other criminal and civil fraud statutes.

9 CHANGES TO TERMS AND CONDITIONS OF THIS CONTRACT

- A** If any changes to the terms and conditions of this Contract become necessary prior to the date that this Contract is approved on behalf of CCC, CCC will notify, in writing, the Applicant that signed Form NRCS-CPA-1202 of such change and such person(s) will be given 10 days from the date of notification in which to agree to the revised terms and conditions or to withdraw from this Contract request. The Applicant agrees to notify, in writing, the CCC of an intention to withdraw the program participation request within 10 days from the date of the issuance of such notice and further agrees that failure to notify the CCC will constitute agreement to the revised terms and conditions.
- B** CCC may unilaterally modify this Contract when the installed practice would cause adverse impacts to significant cultural and/or environmental resources without mitigation action.
- C** Subject to the availability of funds, CCC may unilaterally modify this Contract when the amount of payment for a single contract item (practice or activity) increases by not more than five hundred dollars (\$500) as the result of an increase in the number of units performed (quantity variation) by the Participant.
- D** The Participant and CCC may modify this Contract by mutual agreement when:
- (1) Both the Participant and the appropriate approving authority (STC or designated conservationist) agree to this modification;
 - (2) At the request of the Participant, and upon approval of CCC, the modification is consistent with the purposes of the program; and
 - (3) A transfer of this Contract occurs, provided CCC approval is obtained, and an eligible transferee accepts all terms and responsibilities under this Contract including operation and maintenance of those practices already installed or to be installed.
- E** The Participant and CCC may modify this Contract by mutual agreement to revise or add to those practices already installed, provided that such revisions or additions are within the scope of this Contract. If any such changes cause an increase in the cost of performance of any part of the work under the Contract, the authorized CCC official shall make an equitable adjustment in the total contract payment and shall modify the contract.
- F** All modifications that require CCC approval processed through Paragraph 9D of this Appendix must be approved in writing by the authorized CCC official and the Participant or an individual granted signature authority through a valid Power of Attorney filed in the local Service Center. Unless signature authority is not

granted or assigned on the Contract, any Participant on the Contract may approve modifications for the Contract.

10 CORRECTIONS

CCC reserves the right to correct all errors in entering data or the results of computations in this Contract.

11 CONTRACT TERMINATION

- A** If a Participant fails to carry-out the terms and conditions of this Contract, CCC may terminate this Contract. CCC may require the Participant to refund payments received under this Contract, or require the Participant to accept such adjustments in subsequent payments as are determined to be appropriate by CCC. Refunds shall be subject to the provisions in Paragraph 5F of this Appendix.
- B** The CCC may terminate this Contract, in whole or in part, without liability, if CCC determines that continued operation of this Contract will result in the violation of a Federal statute or regulation, or if CCC determines that termination would be in the public interest.

12 RECOVERY OF COST

- A** In the event a Participant violates the terms of this Contract, the Participant voluntarily terminates this Contract before any contractual payments have been made, or this Contract is terminated with cause by CCC, the CCC will incur substantial costs in administering this Contract which may not be possible to quantify with certainty. Therefore, in addition to the refund of payments as set forth in Paragraph 11 of this Appendix, the **Participant agrees to pay liquidated damages in an amount equal to 10 percent of the total financial assistance obligated to the Participant in this Contract**, at the time of termination. This liquidated damages payment is for recovery of administrative costs and technical services and is not a penalty.
- B** The Participant may be required by the CCC to refund all or a portion of any assistance earned under the program if the Participant sells or loses control of the land under this Contract and the new owner or transferee is not eligible for the program, or refuses to assume responsibility under the Contract.

13 EFFECTIVE DATE

This Contract is effective when signed by the Participant and an authorized representative of CCC. Except as otherwise provided for herein, this Contract may not be terminated or modified unless by mutual agreement between the parties. Within the dates established by CCC, this Contract must be signed by all required Participants. In the event that a statute is enacted during the period of this Contract which would materially change the terms and conditions of this Contract, the CCC may require the Participant to elect between modifying this Contract consistent with the provisions of such statute or Contract termination.

14 GENERAL TERMS

- A** The regulations in 7 CFR part 1465 for AMA, 7 CFR part 636 for WHIP, 7 CFR part 1466 for EQIP, and any other applicable regulations are incorporated, by reference, herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail.
- B** This Contract shall be carried out in accordance with all applicable Federal statutes and regulations. Any ambiguities in this Contract and questions as to the validity of any of its specific provisions shall be resolved in favor of CCC so as to give maximum effect to the conservation purposes of this Contract.
- C** NRCS is administering this Contract on behalf of the CCC. Therefore, where this Contract refers to "CCC", NRCS may act on its behalf for the purposes of administering this Contract. When the term "Participant" is used in this Contract, it shall be construed to mean all Participants signing this Contract. Likewise, when the term "Applicant" is used in this Contract, it means all Applicants signing the program application.
- D** Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions (7 CFR part 3017 or 2 CFR part 417 and 2 CFR part 180, as applicable).
- (1) The Participant certifies to the best of the Participant's knowledge and belief, that the Participant and his or her principals:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) Have not within the three-year period preceding this agreement had a criminal conviction or civil judgment rendered against them for commission of fraud in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local government) contract, including violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses set forth above in Paragraph 14D(1)(b) of this certification; and
 - (d) Have not within the three-year period preceding this agreement had one or more public contracts (Federal, State or local) terminated for cause or default.
- (2) If the Participant is unable to certify to any of the statements set forth in paragraph 14D (1), the Participant shall attach an explanation to this agreement.

- E** This Contract is a financial assistance agreement, not a procurement contract. As such, it is **not subject to 5 CFR part 1315, Prompt Payment Act** and is governed by the terms set forth herein.
- F** The term "Contract" as used in this Appendix means the program documents, including: Conservation Program Contract, Form NRCS-CPA-1202 along with the—
- Appendix to Form NRCS-CPA-1202, Form NRCS-CPA-1202-CPC (Appendix);
 - Conservation Plan Schedule of Operations, Form NRCS-CPA-1155;
 - Revision of Plan/Schedule of Operations or Modification of a Contract, Form NRCS-CPA-1156; and
 - Transfer Agreement, form NRCS-CPA-152 for the transferee(s).
- Such Contract shall set forth the terms and conditions for Conservation Program participation and receipt of Conservation Program payments.
- G** The term "Socially Disadvantaged" means an individual or entity who is a member of a socially disadvantaged group. For an entity, at least 50 percent ownership in the farm business must be held by socially disadvantaged individuals. A socially disadvantaged group is a group whose members have been subject to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. These groups consist of the following:
- American Indians or Alaskan Natives
 - Asians
 - Blacks or African Americans
 - Native Hawaiians or other Pacific Islanders
 - Hispanics.
- Note: Gender alone is not a covered group for the purposes of NRCS conservation programs. And entities reflect a broad interpretation to include partnerships, couples, legal entities, etc.
- H** "Indian Tribe" means any Indian Tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians.
- Note: "Indian tribes recognized as eligible to receive services by the United States Bureau of Indian Affairs" is available at: <http://edocket.access.gpo.gov/2009/pdf/E9-19124.pdf>
- I** A Limited Resource Farmer or Rancher is a participant:
- With direct or indirect gross farm sales not more than the current indexed value in each of the previous two years, and
 - Who has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous two years.

A legal entity or joint operation can be a Limited Resource Farmer or Rancher only if all individual members independently qualify.

A Self-Determination Tool is available to the public and may be completed on-line or printed and completed hardcopy at:

<http://www.lrftool.sc.egov.usda.gov/>

Participants who self-certify eligibility as a Limited Resource Farmer or Rancher may be requested to provide records to justify their claim.

It is the responsibility of the participant to provide accurate data. False certifications are subject to criminal and civil fraud statutes.

J A Beginning Farmer or Rancher is a participant who:

- Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of a legal entity, and who
- will materially and substantially participate in the operation of the farm or ranch.

In the case of a contract with an individual, individually or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or State where the farm is located.

In the case of a contract made with a legal entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that the members provide some amount of the management, or labor and management necessary for day-to-day activities, such that if the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.

Participants who self-certify eligibility as a Beginner Farmer or Rancher may be requested to provide records to justify their claim. It is the responsibility of the participant to provide accurate data. False certifications are subject to criminal and civil fraud statutes.

15 RIGHTS TO APPEAL AND REQUEST EQUITABLE RELIEF

- A** The Participant may appeal an adverse decision under this Contract in accordance with the appeal procedures set forth at 7 CFR part 11, Subpart A, and part 614. Pending the resolution of an appeal, no payments shall be made under this agreement. Before a Participant seeks judicial review, the Participant must exhaust all appeal rights granted within these regulations.
- B** The Participant may also request equitable relief as provided under 7 U.S.C. 7996 and 7 CFR part 635 with the requirements of that provision.

16 EXAMINATION OF RECORDS

- A** The Participant agrees to give the CCC or the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to this Contract. The Participant agrees to retain all records related to this agreement for a period of three (3) years after completion of the terms of this agreement in accordance with the applicable Office of Management and Budget circular.

- B** The Participant authorizes CCC to obtain tax data from the Internal Revenue Service (IRS) for Adjusted Gross Income compliance verification purposes and the Participant will take all necessary actions required by the terms and conditions of the IRS disclosure laws so that CCC can obtain such data.

17 DRUG-FREE WORKPLACE (7 CFR part 3021)

By signing this Contract, the Participant certifies that the Participant will comply with the requirements of 7 CFR part 3021. If it is later determined that the Participant knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.; 7 CFR part 3021,) CCC, in addition to any other remedies available to the United States, may take action authorized under the Drug-Free Workplace Act.

**18 CERTIFICATION REGARDING LOBBYING (7 CFR part 3018)
(Applicable if this agreement exceeds \$100,000)**

The Participant certifies, to the best of the Participant's knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Participant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- (3) The Participant shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including sub contracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

19 CERTIFICATION AND ASSURANCES REGARDING COMPLIANCE WITH PROVISIONS APPLICABLE TO FINANCIAL ASSISTANCE (See generally 7 CFR parts 3015, 3016, and 3019)

- A** As a condition of this Contract, the Participant certifies and assures that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive Orders and other generally applicable requirements, including those set out in 7 CFR 3115.205(b) applicable to non-profit institutions, which are hereby incorporated into this Contract by reference, and such other regulatory and statutory provisions as are specifically set forth herein.

- B** Without limiting the general applicability of Paragraph 19A, the Participant, if it is a non-profit, further agrees to comply with the provisions of 7 CFR part 3019, including the contract provisions required at Appendix A.

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CERTIFICATION AND ASSURANCES REGARDING COMPLIANCE WITH PROVISIONS APPLICABLE TO REQUIREMENTS FOR FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT IMPLEMENTATION (See 2 CFR part 25 and 2 CFR Part 170)

- A** As a condition of this Contract, the Participant certifies and assures that it is in compliance with and will comply in the course of the agreement with all requirements for applicants other than individuals, with some specific exceptions, to have Dun and Bradstreet Data Universal Numbering System (DUNS) numbers and maintain current registrations in the Central Contractor Registration (CCR) database as set out in Appendix A to Part 25.
- B** As a condition of this Contract, the Participant certifies and assures that it is in compliance with and will comply in the course of the agreement with all requirements for applicants other than individuals, with some exception to report first-tier sub awards to an entity and executive salary compensation as set out in Appendix A to Part 170.

The following Participants by entering their signature acknowledge receipt of this Form NRCS-CPA-1202-CPC (Appendix) and agree to its terms and conditions thereof. Further, if the undersigned are succeeding to an existing Contract, the undersigned agree and certify that no agreement exists or will be entered into between the undersigned, the previous owner and operator of the property, or mortgage holder that would, maintain or create an interest in the property for any previous Participant on this Contract for that property, or to receive payments under the contracts.

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