

**North Carolina Agriculture Cost Share Program Review Summary
(August, 2014)**

County	<u>Pender</u>	Date of Previous Review/Report	<u>2006</u>
District Staff Name(s)	<u>Jason Turner, Priscilla Pierce</u>	Date	<u>August 28-29, 2014</u>
NRCS Staff Name(s)	<u>Jane Nordhaus-Wood</u>		
Division Representative(s)	<u>Ken Parks, Kristina Fischer</u>		
Additional Participants	<u>Don Rawls, Supervisor</u>		

Questions	Division Findings				Division Comments	District Plan of Action Required		SWCD Plan of Action	Proposed Timeline for Implementation	Division Response to Plan of Action (date)
	Commendation	Recommendation	Corrective Action	No Concerns/ Not Applicable		Yes	No			
Section 1: Application Procedures and Tracking Progress (BMP Implementation and Payments)										
Questions in this section focus on how the district advertises the program, how applications are developed, how contracts are developed, how funds are tracked and how the board approves each.										
When do you schedule your board meetings?				X	Board meetings are schedule the 4 th Tuesday of each month at 8:30 a.m.		X			
How do you notify the public of the board meeting schedule and does it adhere to the Open Meetings Law?				X	Posted on the office information door, county courthouse and county library.		X			

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<i>When do you develop a conservation plan for a potential applicant?</i>				X	The technician looks at the need for BMPs and puts together a conservation plan. An applicant may request a conservation plan upon asking for technical assistance.		X			
<i>How do you assess the resource concerns on the farm to determine if a BMP is needed and feasible?</i>				X	The technician talks with the client and does a farm site visit to determine the objectives of the client and the cost share programs.		X			
<i>Are applications reviewed and approved by the Board as a separate action item?</i>	X				Yes, looked good.		X			
<i>Are application decisions/motions recorded in the board minutes?</i>	X				Yes, looked good.		X			
Because applicants are limited when applying for incentive BMPs, how does your district track the applications for incentive BMPs? Is your district using the self-certification form provided by the division to track incentive BMPs.			X		The technician keeps track of all the contracts in the district, but there is no documentation in the older contract applications showing that the incentive BMP caps were being tracked to prevent overpayment of contracts. A corrective action was given due to the incentive contracts and BMP caps were not being tracked to prevent overpayment of incentive BMP caps.	X		Pender SWCD has completed the NCACSP-INC as of 11/2011 and is using the 2/2015 revision presently. A tracking log has been developed in March 2015 to track all contracts dealing with applications, dates, caps, funds expended, 1/3 rule, remaining funds.	April 2015	Plan of action accepted.

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Please describe how the district tracks applicants who are applying for multiple incentive BMPs or consecutive incentive BMPs.			X		A corrective action is given due to a cooperator (Donald Hall) exceeded the no-till BMP cap on several older contracts. The district did not track this practice in the past and the division did not have any procedure in place to prevent this at the time of the Donald Hall contracts, but now has a self-certification form for all incentives. If a BMP cap has increased from a lower cap, then a cooperator can only receive the difference of the two caps. The contract does not start from zero and goes to the new higher cap.	X		Pender SWCD completes NCACSP-INC as of 11/2011 & has a tracking log for BMP's in a Excel spreadsheet	Nov. 2014	Plan of action accepted. The division now has a revised incentive BMP self-certification form and is now required to be uploaded in CS ² before an incentive contract can be approved. The district technician also has a new spreadsheet designed to track all incentive contracts and BMP caps.
If multiple partners farm together, how does the district track individual applicants as one operation?				X	The technician tracks this with a spreadsheet.		X			

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Once applications are approved, how do you develop a contract?				X	The district technician develops and enters the contract in CS2 and uses the NRCS design programs like Toolkit, ArcGIS, soils maps and Sharepoint. NRCS Work Aids and Forms.		X			
Describe how the district reviews the contract with the applicant. Do you explain that work cannot begin until the contract is approved by the division?	X				When the contract is ready to sign the technician meets with the cooperater in the office or on the farm site to go over the contract in detail. A step checklist is given to the applicant of the contract procedure.		X			
What procedures do you follow for notifying the applicant that work can begin?	X				A letter is sent to the cooperater to inform them they can begin work.		X			
What information do you provide the applicant?	X				A copy of the division approval email. Copies of the contract, approval letter, conservation plan, maps, job sheets.		X			
<i>Are contracts reviewed and approved by the Board as a separate action item?</i>	X				Yes, looked good.		X			
<i>Are contract decisions/motions recorded in the board minutes?</i>	X				Yes, looked good.		X			

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Describe the district/board's procedure for approving supervisor contracts.				X	They are ranked and brought to the board like all other contracts.		X			
<i>Is it documented in the Board minutes that the supervisor abstained from discussing his/her own contract and from voting?</i>				X	Yes, looked good.		X			
What technical assistance do you provide during the BMP installation process to ensure the BMP is installed by the contract deadline?				X	The technician makes phone calls and checks on the status and site visits to check on the installation progress.		X			
How do you track the Commission's interim performance milestone? One-third of the work must be completed within 12 months of division approval.				X	The technician uses a spreadsheet to track this.		X			
Is the district recording 6-month extensions in the board minutes?				X	Yes, looked good.		X			
What documentation do you include in the contract file that certifies that the BMP was inspected and is installed to the standards and specifications?				X	The technician includes copies of receipts, JAA designs, JAA letter and other required forms.		X			
Are BMPs measured then certified before the request for payment is approved? How is this documented?				X	The BMPs are measured and documented in the file on calculation sheets, BMP pictures and in the field book.		X			

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Are receipts received and reviewed for CSP BMPs that are based on actual cost?				X	Yes.		X			
Are request for payments reviewed and approved by the board as a separate action item?				X	Yes.		X			
If the BMPs are not installed by the end of the third program year per Commission policy, how does the district request a one-year extension?				X	The technician has not had any of these, but knows the policy.		X			
<i>Are payment decisions/motions recorded in the board minutes?</i>				X	Yes, looked good.		X			
Section 2: Spot Checks and Compliance Issues Questions in this section focus on how the district reviews BMPs for compliance and how maintenance and/or non-compliance issues are addressed.										
<i>Who participates in annual spot checks? When are they conducted?</i>				X	The technician and the board on the spotchecks and sometimes NRCS. They are usually in the Spring (May).		X			
How does the district select which contracts to spot check?				X	The technician keeps a log of all active contracts and does a random number selection.		X			
<i>Are all BMPs under the waste management category spot checked for the first five years after installation? This applies to all farms that fall under the thresholds that are regulated by DWR.</i>				X	They do not have any at this time.		X			

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How does the district review five percent of all waste utilization plans?		X			The technician was including the waste management as part of the 5%. A recommendation is given to have a separate spreadsheet for waste management plans to ensure that 5% of all of these are being spotchecked and to remind the technician of the <i>revised</i> spotcheck policy.	X		Pender SWCD will develop and implement a spreadsheet for reviewing waste mgmt. plans completed each year. These will be checked when annual NCACSP spot checks are completed.	Jan 2015	Plan of action accepted.
How does the district notify the NRCS area office (for ACSP contracts) or division (for CCAP contracts) to conduct spot checks on lands owned or operated by a district, county, division or NRCS employee or district supervisor? This includes CPOs, revisions, supplements or repairs.				X	NRCS will ask the technician of any of these contracts.		X			

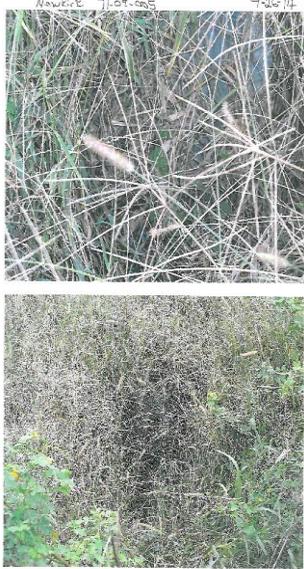
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The North Carolina Statute 02 NCAC 59D.0107(f) states "If the technical representative of the district determines that a BMP for which program funds were received has been destroyed or has not been properly maintained, the applicant will be notified that the BMP must be repaired or re-implemented within 30 working days. For vegetative practices, applicants are given one calendar year to re-establish the vegetation" How does your district notify individuals that have destroyed or mismanaged a BMP?				X	See contract 71-2010-015. Maintenance needed. The cooperators are notified with a letter and the technician follows up on non-compliance issue.		X			
How are supervisors notified of BMPs that are found to be destroyed or mismanaged at any time throughout the year?				X	The supervisors are notified at the board meetings.		X			
When does the district provide a written notice that the BMP must be repaired or re-implemented within 30 working days? (Vegetative practices have to be reestablished within one calendar year.) Is a copy of the notification kept with the CPO?				X	Yes, the letters are kept in the file.		X			
If the BMP was not repaired or re-implemented, was repayment requested? Please provide documentation.				X	Yes, see contract 71-01-020-02. The technician calculates the repayment using the repayment calculator.		X			
Is the district notifying the division of non-compliance and resolutions?				X	Yes.		X			
Section 3: Record Keeping Questions in this section focus on how funds are managed and accounted for, maintaining proper design and job approval authority, as well as disclosure forms.										

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How does the district track BMP funds?				X	The technician uses a hand written ledger and keeps a running balance and compares it to the CS2 database.		X			
How does the district use the division on-line (website) reports?				X	Yes.		X			
How are your BMP funds audited? What is the date of the last audit? Who performed the audit? Was the BMP audit form completed and notarized?				X	The technician does the BMP audit and the last one was done June 30, 2014. The form was signed and notarized.		X			
How are the technical assistance funds tracked? Are they audited? What is the date of the last audit? Who performed the audit?		X			The administrative staff tracks the TA funds and they are audited by a CPA sometimes, but recommend the district to do an internal audit. No record on the last audit by a CPA firm.	X		PSWCD board requested a local CPA firm to complete an audit of district accounting books.	Spring of 2015	Plan of action accepted.
Who in the office is funded by Cost Share Technical Assistance (TA) from the State?				X	Jason is the only one funded by TA from the State.		x			
How are operating funds tracked? Are they audited? What is the date of the last audit? Who performed the audit?		X			Recommend the same as technical assistance.	X		Funds are tracked by Quick Books and will be audit by CPA firm	Spring of 2015	Plan of action accepted.

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How are matching funds tracked? Are they audited? What is the date of the last audit? Who performed the audit?		X			Recommend the same as technical assistance.	X		Funds are tracked by Quick Books And will be audited by CPA firm	Spring of 2015	Plan of action accepted.
How much time is spent on cost share program (ACSP, CCAP, AgWRAP) contracts and BMP implementation? How is that tracked?				X	75% and are being tracked on the monthly timesheets. The technician has his own tracking of his time.		X			
Is proper job approval authority (JAA) documented for each technical and cost share position?				X	Yes.		X			
Do district supervisors complete supervisor forms when they have a financial interest in an entity requesting a cost share contract?				X	Yes.		X			

Section 4: Contract Reviews and Site Visits

Below is a list of the contracts the division reviewed. Spot checks were also conducted. Notes include recommendations and/or corrective action for contract files as well as the BMP. Contracts/BMPs are listed by contract number.

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Contract Number: 71-2009-005 Applicant Name: Joe Newkirk BMP: Surface Inlet Pipe 				X	The BMP was functioning properly, but recommend to do some mowing and vegetation management as part of regular maintenance. Good documentation in the file.		X	Vegetation around surface inlet pipe has been mowed and vegetation management has been done	Oct 2014	Plan of action accepted. Maintenance has been completed on the BMP.