

**NORTH CAROLINA SOIL AND WATER CONSERVATION COMMISSION**

**POLICY ADDRESSING COOPERATOR NON-COMPLIANCE WITH MAINTENANCE  
REQUIREMENTS FOR COST SHARE CONTRACTS**

**STATEMENT OF INTENT**

Districts are not consistent in determining how many times a cooperator can be found in non-compliance with the maintenance requirements expressed in cost share contracts before being asked to repay cost share funds. Some districts have allowed cooperators to go out of compliance multiple times without making the cooperator repay cost shared funds. This results in a situation where a cooperator may only be in compliance with the maintenance requirements for a cost-shared practice for a fraction of the time expected. This also undermines the ability of districts to hold all cooperators accountable to maintain the practices installed with public cost share assistance.

The intent of this policy is to clarify the maximum number of times a cooperator may be found out of compliance with contract requirements before being required to repay cost share funds or cost share incentive.

**STATEMENT OF POLICY**

The Commission's policy for addressing non-compliance on cost share contracts shall be as follows:

1. For cost share practices:
  - a. First time found out of compliance – district sends written warning by certified mail within 30 calendar days to cooperator with notification to correct non-compliance within 30 calendar days, or repay a prorated amount of contracted funds (with reasonable consideration for vegetation re-establishment up to 12 months);
  - b. If cooperator restored compliance, but was found out of compliance a second time, then the district must require cooperator to repay pro-rated funds.
2. For incentive practices, districts must require the cooperator to repay 100% of funds the first time the cooperator is found out of compliance, unless the cooperator has failed to achieve compliance despite making a good-faith effort.

This policy applies to all cost share programs under the Commission's authority.

This policy was approved by the Soil and Water Conservation Commission in regular session on September 16, 2009.



Richard Smith, Acting Chairman  
Soil and Water Conservation Commission