

CANCELLATION FOR COST SHARE CONTRACTS IN UNRESOLVED PENDING STATUS

STATEMENT OF INTENT

There continues to be a significant number of cost share contracts that are submitted for division approval but which have deficiencies that prevent their approval. These contracts are held pending resolution of the deficiency. Often the deficiencies involve simple items such as missing maps, conservation effects information, or signatures. Many of these contracts remain in pended status for prolonged periods, frequently for more than a year. Sometimes the contracts expire with the deficiency never being resolved.

Many of the contracts are pended awaiting design approval signatures, often from the NRCS Area Office or division engineers. Districts should submit the contract for design approval in a timely manner, but the turnaround time on design approval is often beyond their control.

When contracts are submitted and entered into the cost share database the funds for the contract are encumbered. When these contracts remain in pended status for prolonged periods, it decreases the amount of time remaining for the cooperator to complete the project, and it increases the likelihood that the contract will be cancelled or expired with the project not completed.

STATEMENT OF POLICY

Cost share contracts that are pended for deficiencies other than design approval should have the deficiencies resolved within 45 calendar days of the date the district is notified of the deficiency. If the district fails to show a good faith effort to resolve the deficiency within 45 calendar days, then the division is authorized to terminate the contract and unencumber the funds in the contract.

For contracts pending design approval, the district must demonstrate that it has initiated the design approval process from the appropriate authority within 45 calendar days of contract submittal to the division. Examples of allowable documentation include, but are not limited to, NRCS practice design form, email documentation requesting engineering assistance, email status update, etc. If the documentation is not received as outlined above, then the division is authorized to terminate the contract and unencumber the funds in the contract.

For contracts that are terminated, the division shall notify the district by email or letter and include the reason the contract was terminated.

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