

**Mike Onnen**

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**From:** Boettcher, Robert - NRCS, Clay Center, NE <Robert.Boettcher@ne.usda.gov>  
**Sent:** Tuesday, October 02, 2018 3:15 PM  
**To:** Dylan Long; Donnie Engelhardt; Mike Onnen  
**Subject:** cost share

Hello,

I was wondering if it would be feasible to create a landowner release form so that Operators of farms can hold cost share contracts?

A couple of major things I run across are-

- Landowners are elderly and don't want the hassle of a government contract
- Landowner doesn't want to pay income tax on something that wasn't their idea
- Its also easier to erase a 4<sup>th</sup> or 5<sup>th</sup> party by eliminating a landowner as a contract holder.

I know this would be a big change, but it would greatly affect our abilities to do cost share more efficiently.

Thanks,

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## LITTLE BLUE NRD COST-SHARE GUIDELINES – 2019

- **SIGN-UP PERIOD**

The general cost-share sign-up will be From February 1 through April 30 for work to begin after July 1<sup>st</sup> of the application year. LBNRD fiscal period runs from July 1<sup>st</sup> to June 30 of each year. Additional applications will be accepted throughout the year, but approval will be based on availability of funds.

- **ELECTRONIC APPLICATIONS & APPROVAL**

All signups will be at local NRCS offices and then forwarded by email to the Little Blue NRD. All figures on contracts must be in ink or computer printed. Remember to indicate on application form what crop the field is in or if the field is open and ready for construction. After NRD approval, the form will be scanned and emailed back to the NRCS, and a letter will be sent to the landowner notifying them of approval. Because the cost-share applications are a contract for the life of the project, signatures (with ink) are required on the form upon completion of project.

- **FORMS**

Nebraska Soil and Water Conservation Forms should be used for State applications; Little Blue Soil and Water Conservation Forms for Little Blue cost share contracts, LB Water Quality for WQ contracts. Also, use Form 14 for NC-17 practices, use Form 10 for NC-14 practices. All contracts must have a W-9 attached and citizenship form signed by the applicant. If the applicant is signing on behalf of a landowner, please provide a Power of Attorney form with completed contract.

- **PRIORITY**

Contracts will be awarded on a first come-first serve basis until available funds are committed. Producers that have not received funding previously may be given a higher priority. General sign-up contracts will be approved after the June board meeting.

- **COST SHARE LIMIT**

Each producer can receive up to \$5,000 per fiscal year. If a landowner applies for an extended contract (between \$5,000 to \$10,000) make sure he didn't receive too much funding the previous year. Extended contracts (those over \$10,000 in one fiscal year) will be approved by the board.

- **TIME-LINE FOR COMPLETION**

Producers will be given a six-month time frame from the date of approval to complete the work; NC-14 contracts will be given nine months for completion. Work cannot begin until written approval is received from the NRD. (LB21A Buried Pipe (from well to pivot point, only converting gravity system to pivot). May have to wait for payment) & (Always have monies for Tree Renovation and Tree plantings.)

- **COST SHARE OVERRUNS**

If cost overruns of \$1,000 or more are anticipated, the NRCS should report the addition to the NRD to assure that funds are available to cover the overage.

- **CANCELLED CONTRACTS**

If a producer wishes to cancel an application, the form must be returned to the LBNRD office with the date and reason for cancellation stated on the form.

- **CONTRACT**

The typical land treatment practice cost-share contract runs for ten years after receipt of payment, or generally the life of the practice. If the practice which has been funded through one of the District's cost-share programs is removed, altered or modified to reduce its effectiveness within the contract term, the landowner must refund all or a prorated portion of District or State funds received for the project.

- **OPERATOR/TENANT COST-SHARE**

Operators/tenant may also sign a landowner's practice application/contract on behalf of the landowner, only if they have a POA from the landowner. The cost share contract would be in the landowner's name, the landowner would pay the bills, receive the cost-share, and receive the 1099 for tax purposes.

The operator can be the applicant and contract holder for practices that are portable or can be moved with the operator. In such cases, the contract will be in operator's name, the operator will pay the bills for the practice, receive the cost share funds, and receive the 1099 for tax purposes. As an example, on Water Quality contracts including with drop nozzles, the owner of the pivot will be the contract holder and payments will be made accordingly. If the farm operator owns the pivot and loses the lease, the practice can be removed and taken with them.

In addition, an operator/tenant may apply for a cost share application/contract where the operator is actually the contract holder, would pay the bills for the practice and receive the cost share, and be taxed on those cost share dollars...IF they are able to provide a Landowner Release Form (signed by the landowner), which assigns the decision making responsibilities on the tract and/or allows the operator control of the land/acres for the life of the practice.

- **MISCELLANEOUS RULES**

- Property owned by Board of Educational Lands, are eligible for cost-share assistance.
- NRD can cost-share on church held properties.
- Cost-share is not available for treating or protecting HEL sod-busted areas.
- Cost-share is available for rebuilding practices, if they were properly maintained and the failure or malfunction of the system is at no fault of the producer.
- No cost-share is available for cleaning out of reuse pits or dams.
- Cost-share is available for CRP contracts that are expiring.
- Producers must plant 100 (minimum) trees to receive cost-share monies.
- Windbreak Renovation (only): if landowner is doing a Renovation, the LBNRD will cost-share on less than 100 trees, but no less than 50.
- No cost-share is provided for handplant trees.
- Cost share will be available for weed barrier or drip irrigation only when 100 trees or more were planted by the NRD.
- Under planned grazing system, allows cost-share for perimeter fencing of land currently enrolled in CRP that has contracts expiring.
- On Planned Grazing Systems, the District will not pay for simply constructing a livestock well. The application must include a written rotational grazing and/or cross fencing plan.
- Cost-share funds will not be provided for labor of fencing, mulching and seeding of new and rebuilt dams under the District's Cost-Share for Dams Program.