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QUESTIONS & ANSWERS FOR APPLICANTS

Southern Tier Agricultural Industry Enhancement Program On-Farm Enhancement Grant Program

****Note: Questions designated with ** are NEW or UPDATED questions, as of 2/19/2016.
New questions can be found at the end of each section.**

I) General Program Information

- The first round of funding applications are due March 7, 2016 at 4:00pm.
- Applications must be submitted to local Soil and Water Conservation Districts in these eligible counties: Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Delaware, Steuben, Schuyler, Tompkins, and Tioga.
- Applications must implement a component of a business or environmental plan.
- The application was updated for clarity on 1/25/16. The most recent version is each District's folder on SharePoint. We recommend using it wherever possible.

II) Questions on Eligible Farms

- 1) Is there a list of pre-approved farms?

No, each farm must submit an application, including eligibility information and associated documents.

- 2) Are CAFO farms under an Order on Consent eligible?

Yes, if the farm has agreed to an Order of Consent, it is deemed to be in compliance with State Law.

- 3) If a farm files out of state taxes, but owns property and farms the property in New York State, is that farm eligible for STAEIP?

The operation must have received the NYS Farmers' School Property Tax Credit in 3 of the last 5 years. In addition, the entity that owns the property must be a resident of NYS.

- 4) Can a farmer apply for the Farmers' School Property Tax Credit if he doesn't file NYS income tax?

Farms should consult with their tax professional. Eligible applicants must be residents of New York State.

- 5) If a farmer owns, or partially owns, more than one farm, and each of the farms are a separate business entities. Do both business entities qualify for funding?

Yes, if each business entity meets all the eligibility requirements independently.

- 6) If a farm is owned by multiple farmers, can each farmer apply separately?

No. Each farm operation may submit only one application.

- 7) If the farmer does not own the farmland, but does not pay a rental fee (e.g., the farmer rents from their parents), is the farm eligible?

No. The applicant must: a) own the farmland; b) own and operate the farm operation; and c) file for the Farmers' School Property Tax Credit to be eligible.

- 8) If the farm is legally registered as a corporation, how does that impact this application?

Corporations are eligible applicants and must meet all eligibility criteria.

- 9) If a farmer is currently in the process of purchasing the farm or recently purchased the farm, and the tax credit was previously filed on the other landowner's taxes, do they still qualify or do they have to wait to show the 3 year credit on their tax return?

They will have to wait. Eligible applicants must own the farm, and have filed for the Farmers' School Property Tax Credit in three of the five years preceding submission of the application. This applies even if the farm transitioned from parent to child.

- 10) Are potential applicants eligible if they have a current contract with the state (e.g., Ag NPS grant)? Can STAEIP funds be used as cost share/match for the other NYS grants?

Existing contracts with the state do not impact an applicant's eligibility. However, the proposed projects must be new, and state funds may NOT be used as match for other state funding sources.

- 11) My farm is located in more than one county. In which county should I apply?

The application should be submitted to the county in which the farm operation is physically located. Farm operations must be physically located and the project implemented in an eligible county.

- 12) Which documents are acceptable as proof of receipt of the NYS Farmers' School Tax Credit? The RFA refers the form IT-217 for individuals and CT-47 for corporations, but the application only refers to form IT-217.

Either IT-217 or CT-47 is acceptable.

- 13) Can form RP-305-r from NYS Taxation & Finance "Agricultural Assessment Renewal Certification" serve in lieu of form IT-217?

No.

- 14) A farm has two LLCs that comprise the farm—one LLC "owns" the land and the other LLC "owns" the operation (equipment, building, etc.). The IT-217s are filed under the "land" LLC. The intent of the farm is to apply for the funding using the LLC that files the IT-217. Are there any limits to eligibility for the operation since the farm is split in two legal entities?

Based upon the information provided, it appears as though the LLC that owns the land would be eligible as long as the project meets all other eligibility criteria.

- 15) Farm is in a land trust, which includes the mother and two sons, and is an LLC. The son operating the farm pays all the taxes, bills, etc. Would the applicant be however the trust is named, or would the son operating the farm be the applicant?

It depends which entity meets the eligibility criteria. To be eligible, the applicant must meet the requirements in II A of the RFA.

- 16) Is a non-profit and tax exempt Community Supported Agriculture farm operation eligible for this program?

Not for profit organizations may be eligible applicants if they meet all other eligibility criteria as detailed in the RFA (section II-A).

- 17) In the case of a farm that transitioned from father to son in 2015, could the father be an eligible applicant on behalf of the son? The father filed the IT-217 up to 2014, but the son is the current owner of the land.

Eligible applicants must own the farm, and have filed for the Farmers' School Property Tax Credit in three of the five years preceding submission of the application. This applies even if the farm transitioned from parent to child.

- 18) Is an estate eligible to participate in the STAIEP program? The estate in question has been receiving the tax credit for the requisite length of time. The property has been and continues to be actively engaged in as a dairy and crop farm operation. The estate is actively engaged in managing the property for agricultural production, but does not manage the crops or the livestock—tenants do. The estate would like to participate in STAEIP to invest in the enhancement of the productivity of the property for the benefit of the tenant's dairy operation.

Based upon the information provided, it appears that the Estate is not an eligible applicant because the Estate is not operating the dairy operation.

- 19) The RFA states clearly that to be eligible, the farm operation and project must be located in one of the eligible counties. However, the applicant checklist seems to indicate that the address on the tax form will be used to verify the location of the farm in one of the eligible counties. Some farms have offices/listed addresses in a different county than the location of the actual farm operation. How can such a farm document that they are, in fact, eligible applicants?

Eligible farm operations must be located in one of the eligible counties. The Department will determine eligibility on a case by case basis in the event that there is a discrepancy between the location of the farm as specified in the application and on tax or other forms. The Department reserves the right to request more information in determining eligibility.

Conservation Districts made aware of such concerns should note it in the "notes" section of the District Checklist.

- 20) A farmer owns part of his farm with the rest of it owned by a trust that his father set up. The building where the equipment is being installed is owned by the trust and he pays fair market rent for it. He has been operating this farm since 2000. Is this an eligible project for this grant?

No. Based on the information provided it appears that the land where the project will occur is not owned by the eligible applicant and therefore the project is not eligible.

- 21) An applicant who has filed the IT-217 only twice (in 2013 and 2014) cannot submit an application in the first round, correct? If they file for 2015, will they be eligible for the 2nd round and thereafter?

To be eligible, the farm must have filed the IT-217 and received the tax credit in three of the past five years. Applicants for whom that will be true after their 2015 taxes are complete and approved will be eligible starting the second round of funding, subject to the availability of funds.

- 22) We have a dairy farmer who owns 3 farms, and has filed IT-217 the past 4 years. The only concern is that one farm is on a land contract and he has not had the School tax credit on that farm. Is the farm on which he wants to do his project eligible?

Yes. Based on the information provided it appears that the farmer would be an eligible applicant and that the land where the project will occur is legally owned by the applicant through a land contract.

- 23) If an application is rejected, will the applicant be notified as to why it was rejected?

Yes.

- 24) Section VI. Other Considerations subsection E. Reservations states that the SWCD reserves the right to "waive any requirements that are not material". Is it possible to waive the requirement for the Farmers School Property Tax Credit on a farm that has not met the requirement, but has the land in an agricultural easement?

No, the tax credit is a required component of eligibility and considered material.

- 25) An applicant owns and operates a dairy farm which lies mostly in Delaware County. However, the main farmstead, including the main dairy complex and home are physically located just over the Delaware County line in Schoharie County.

Based upon the information provided it appears that the applicant would not be eligible.

- 26) If an applicant meets all eligibility requirements, can the project be constructed in a non-eligible county?

No. Farm operations must be physically located and the project implemented in an eligible county.

- 27) A family farm was a partnership prior to 2012. An LLC was created at the end of 2012 to remove the senior member and add younger members. The school tax credit was received prior to 2012 by the partners and by the LLC in 2013 and 2014. Does this business have to wait until the 2015 return is filed and apply then, when 3 consecutive years has been applied for the school tax credit with the LLC?

Yes. The business as described is under new ownership.

- 28) An eligible farm operation is located in both Livingston and Allegany Counties. The heifer raising operation is located in Livingston and the sheep operation is located in Allegany. They would like to do work on and expand their sheep raising facility. Would this be eligible for the grant?

If the farm operation is an eligible applicant, a project on the sheep facility in the eligible county would be eligible. The Department reserves the right to request more information in determining eligibility.

- 29) Farmland is owned by a trust, which is comprised of a mother and two sons. The farm operating the land in the trust is an LLC, and managed by one of the sons. The mother has been filing the IT-217 for several years, as a trustee in the trust and also is part of the LLC as well. Is this farm operation eligible for funding?

It appears from the information provided that the owner of the land and the farm operator are the same individuals and would be eligible. The applicant should be consistent with the business/individual referenced on IT 217. Further, the applicant should explain the business structure in their farm business or environmental plan. The Department reserves the right to request more information in determining eligibility.

- 30) A farm is legally divided into two LLCs, one which owns the farm business and the other which owns the farmland (real estate). The same three people control both LLCs. The IT 217 is in the name of the Real Estate LLC. The work would occur on the land that the Real Estate LLC owns and is the location of the farm business LLC. Is the applicant eligible and do they need to apply under the name of the Real Estate LLC in consideration of the IT 217?

It appears from the information provided that the owner of the land and the farm operator are the same individuals and would be eligible. The applicant should be consistent with the business/individual referenced on IT 217. Further, the applicant should explain the business structure in their farm business or environmental plan. The Department reserves the right to request more information in determining eligibility

- 31) How does and applicant prove that the project is on land owned and operated by the farm?

Applicants are required to attest to the accuracy of the information provided in the application. Additional substantiation of this could be established through a project site plan and a corresponding paid tax bill.

III) Questions on Eligible Projects

- 1) What specifications are required for construction projects?

Environmental projects must meet NYS NRCS Standards and Specifications, which will require certification by an engineer and/or an individual with State, or Federal Job approval authority.

Other structural projects must meet all applicable local and state regulations, codes, and/ or permit requirements. In these cases, a Certificate of Occupancy shall serve as documentation of compliance. In the event a structure is not subject to local and state regulations, codes, and/ or permit requirements,

the applicant must document that the structure has been deemed exempt (e.g. letter from the applicable state or municipal entity indicating that the awarded structural project is exempt).

In the event that a structural practice is exempt from local codes, an engineer must certify the design and structure to ensure structural integrity and safety. Engineering costs are eligible expenses in the program.

- 2) Is land clearing an eligible project?

No.

- 3) If a vineyard operation wants to reclaim land that used to be a vineyard but is now trees and brush, can they apply for the cost of taking down the trees and brush, leveling, adding lime, and adding drainage without planting the vineyard within in the one year contract period?

Elements of this project (drainage, for example) may be eligible, but land clearing is not an eligible expense.

- 4) Would a drag line system be eligible?

No. A drag line system is considered rolling stock, and therefore not eligible. .

- 5) Would a bedding recovery unit be allowed?

Yes, if permanently installed and part of a Best Management Practice system(s).

- 6) Are Christmas trees considered a permanent planting? What about nursery stock?

Neither is considered a permanent planting.

- 7) Are engineering costs an eligible expense?

Yes.

- 8) Can Non-Eligible costs be used as cash match?

No.

- 9) Can a farm pool STAEIP funds with another grant fund to get a larger-than-planned project done, while still meeting all match requirements? For example, there is a farm that has AgNPS funding for a manure storage. The project costs in the grant were substantially under estimated and the farm is not in the position to fund the difference. This would NOT be their cost share amount. The farm would still meet the required match of each project independent of the other.

No. The AgNPS program requires the farmer to meet all cost overruns.

- 10) Can the money from this program be used only towards enhancements to aspects of the farm operation that is tied to the income used to qualify for the IT-217? For example, a full time dairyman would like to expand a sap house and purchase a new evaporator to enhance their already existing a small maple syrup operation. Is this an eligible expansion or is the money limited to aspects of the dairy operation?

Based upon the information provided, it appears the project is eligible.

- 11) Would installing new milking parlor equipment, such as Automatic Take-offs, milking claws, & a CIP cleaning & sanitizing system, be an eligible cost? This equipment would be permanently installed in a milking parlor/milk house by a professional dairy equipment installation company.

Yes. Permanent equipment is an eligible expense.

- 12) A large fruit operation wants to put a new roof on their building that houses their retail operation (gift shop, coffee house, fruit sales) and storage facility. This is not a structural repair but shingle, flashing etc. replacement. Is this project eligible?

Based upon the information provided, it appears as though the costs stated in the question are eligible, however, the project must meet all of the Project Eligibility Criteria stated in II-B of the RFA.

- 13) I'm working with a farm looking at putting in milking robots and expanding the barn capacity. I'm assuming the robots are eligible as they have to be installed and are considered permanent equipment that will become an integral part of the barn as the milking equipment. He is also keeping the old milking parlor for purposes of milking sick and problem cows. Is this ok?

Purchase and installation of robotic milking equipment is considered permanently installed equipment and is eligible. There are no requirements in the grant to remove existing equipment.

- 14) Can more than one project be included in the same application (as long as they meet the criteria and don't exceed the funding threshold)? For example, a farmer would like to construct a building as well as do drainage work under the same application.

Yes. Each project must meet all eligibility requirements.

- 15) A Farm operation (2 brothers and a son) would like to purchase cow mattresses from a supplier and have them installed by a separate business. The separate business is owned by one of the brothers in the farm operation. Is this considered in-kind match?

No. As described the purchase would not be considered in-kind match. However the purchase would be subject to the procurement policy of the Soil and Water Conservation District. A successful applicant may be required to obtain written quotes to verify fair market value of the mattresses.

- 16) Is demolition of a structure and eligible cost under STAIEP?

Yes. Demolition is an eligible cost, but must be part of an eligible project.

- 17) Is the purchase of used equipment or used structures and eligible cost under STAIEP?

Yes. Used equipment and structures could be eligible costs if they meet all other requirements stated in the RFP.

- 18) Is the sale of compost coming out of a digester considered "value added"?

Yes.

19) Is sale of surplus electric from digester considered value added?

Yes.

20) If we intend to apply for the maximum amount of funding, can we list individual projects in the order of our priority?

Yes.

21) Do all projects need to be completed in 18 months?

Yes.

22) An applicant has several components of a project that he wishes to receive funding for. Some pertain to the vineyard/grapes and some pertain to the winery, in terms of improving productivity. Are components that address the winery side of the operation as eligible, as the vineyard side?

Yes. However each landowner and project must meet all other eligibility requirements stated in the RFP.

23) A farm wants to install new dry cow/heifer housing. This barn will partially be a bedded pack barn. They are in the process of having a CNMP done. Does the CNMP need to be completed before they can apply?

Yes. The CNMP is a required to meet environmental plan requirements in the application.

24) I am working with SWCD to implement several conservation projects. One project is a leachate collection system and treatment field for my bunker silos. This project is being funded with grants. I am going to need to replace a lot of broken concrete floor in the silos in order to properly store silage and direct the leachate to the system. Replacing this old floor with a properly designed and constructed floor is necessary for the leachate system to function properly. It will also enhance profitability by improving silage quality and improving storage capacity. Is this an eligible project?

Yes. Based on the information presented, we believe the project would be eligible as a distinct project under STAIEP requirements. However, the project may have restrictions from the initial grant program. See question III-9 above for more information on a similar concern.

25) Is a biomass boiler an eligible cost?

Yes. A Biomass boiler is an eligible cost if permanently installed and part of an eligible project.

26) **Is farm built permanent employee housing on a dairy farm an eligible cost?

Based upon the limited information provided, it appears as though the cost to construct permanent housing for employees of a dairy farm may be eligible. To be eligible to receive funding, the project would have to meet all the eligibility requirements including, but not limited to, demonstrating how the farm worker housing will increase production, enhance farm profitability, and/or increase environmental capability of the farm operation. One resource available to you is Arnon Adler,

Farmworker Housing Program Manager at NYS Homes and Community Renewal. You can reach him at 866-275-3427 or AAdler@nyshcr.org.

- 27) **Would a stationary feed mixer be eligible? It would be installed on concrete blocks, wired into barn electric, then a shed would be built over it between the silo and the barn.

Yes. As described, the stationary feed mixer hard wired into the buildings electrical system would be considered permanently installed equipment.

- 28) **Would the development of a water source, such as ponds and ditches, for irrigation be eligible?

Yes.

- 29) **Would various types of moving or rolling sprinklers for irrigation be eligible?

No. Equipment must be permanently installed in order to be eligible.

- 30) ** Are cheese presses considered installed equipment? The cheese presses are large pieces of equipment assembled in the plant, but not affixed to anything.

No. As described the equipment would not be considered permanently installed.

IV) Funding

- 1) Is this a reimbursement program? Who fronts the money, and who pays whom when?

Yes. See section II.G. of the RFA for reimbursement requirements. Awarded applicants will be subject to the specific terms of the executed contract with the Soil and Water Conservation District.

- 2) What procurement policies are required? Are three sealed bids required?

Successful applicants will follow the procurement policies identified in the specific terms of the executed contract with the Soil and Water Conservation District.

- 3) If a farm applies for only a portion of the possible \$100,000, can they apply at a later time for the remainder?

No, there is a limit of one application per farm operation.

- 4) Can match funding include expenses paid in-kind (time, labor, equipment, etc.)?

No.

- 5) If a farm has a grant for drainage, and the farm is the most capable to install the drainage, would a paid payroll bill for the laborers, a bill for the equipment time, and a bill for the purchased drainage be deemed acceptable for the match?

Based upon the information provided, the payroll for the farm labor required to complete the project and the value of equipment used would be considered in-kind funds. In-kind funds are not an eligible match under this program. The drainage tile would be an eligible cost.

- 6) If a farm was eligible for the farmer's school property tax credit and did not take it. Can they file an amended return and still qualify?

The applicant would need to consult a tax professional.

- 7) What is the application cutoff date for the first round, and when will the producers know whether or not their application will be funded?

Awards will be made on a semi-annual basis. The first round of applications will be due March 7, 2016 at 4:00pm. Decisions on the first round will be released in advance of the open period for the second round.

- 8) Are expenses incurred between receiving the award and executing the contract eligible for match and/or reimbursement?

Yes, however, the eligible costs will not be reimbursed if a contract is not executed between the District and the Farm Operation.

- 9) The RFA states that eligible farms must be in compliance with all state, federal, or local tax obligations? Who is responsible for enforcing this? What qualifies as "not in compliance" with tax obligations?

The Department is responsible for ensuring compliance through the State's Vendor Responsibility System. If a tax issue comes to the Conservation District's attention during the application process, it should be noted on the District Checklist in the "notes" section.

- 10) Can a farmer reapply in the second round if they are rejected in the first round?

Yes, although the farm operation and the project must meet all eligibility criteria when applying in subsequent rounds of funding.

- 11) What is the length of the contract? The RFA states that projects "should" be completed within 18 months of contract execution.

Contracts should be for 18 months. Conservation Districts have the right to extend contracts, for justified reasons.

- 12) Can Districts increase the percentage of funds withheld until completing the contract? The RFA says "a minimum of 10%"—can a District increase that?

Yes. Applicants will follow the procurement policies identified in the specific terms of the executed contract with the Soil and Water Conservation District.

- 13) How long will the program be open, and what happens at the end of the final round?

Subject to the availability of funds, the program will be open for four rounds, through the end of 2017 (see the RFA section I-D for the schedule). At the conclusion of the program, the Department will assess how to use any remaining funding.

- 14) Can DAP funds be used to cover the cost of engineering BMPs for STAIEP projects?

Yes, subject to requirements of the DAP program. However, since the funding for DAP is the NYS Environmental Protection Fund it may not be used as a qualifying match for STAIEP.

- 15) Can a farm request funds for more than one project? For example, fifty thousand dollars for a conservation related project and fifty thousand for a production related project.

Yes. However the applicant must meet all applicant and project planning eligibility requirements.

- 16) ** Can funding from NYSEDA be considered eligible match? The funds in question come directly from charges on utility bills from customers, and is not part of the standard NYS budget.

Yes. Funding from the NYS Renewable Portfolio Standard (RPS) can be considered eligible cash match provided it meets all other requirements stated in the RFP and is part of an eligible project.

- 17) ** Can Ag Micro-Enterprise Grants be considered eligible match? The grant is federal funds that are administered by NYS. The grant is for reimbursement for equipment, is that considered “cash”? Does the equipment have to be installed equipment?

Yes. It would be considered eligible cash match provided it meets all other requirements stated in the RFP. To be an eligible expense equipment must be permanently installed and part of an eligible project.

- 18) ** Which years of receiving the Farmers’ School Tax credit are required for eligibility? Does it change in the second year?

To be eligible, farmers must apply for and receive the Farmers’ School Tax Credit for three of the past five years. This translates to:

Round 1 (due March 7, 2016): taxes for 2010 – 2014

Round 2 (due September 19, 2016): taxes for 2011 – 2015

Round 3 (due March 6, 2017): taxes for 2011 – 2015

Round 4 (due September 18, 2017): taxes for 2012 – 2016

V) Environmental Requirements

- 1) Do environmental projects have to complete a full Best Management Practice system (similar to other state grant programs), or are discrete BMP components eligible?

All eligible environmental projects must result in a complete system(s).

- 2) Regarding the \$10,000 Environmental Stewardship Incentive payment, can a farm that has a current contract of the approved programs get the \$10,000, or only a new contract?

Only new contracts with the approved programs are eligible for the incentive payment.

- 3) When does a farm become eligible to receive the \$10,000 Environmental Stewardship Incentive payment?

A farm implementing a project eligible for the Environmental Stewardship Incentive payment must have an executed contract before the District may release the funds.

Clarification question (2/10/16): In the 2/5/16 Q&A it states that a farm “must have an executed contract before the District may release the funds” for the Environmental Incentive. Does “executed contract” mean that the farmer is under contract with the appropriate Agency?

Yes. In all cases participation in environmental stewardship programs, implementation and operation and maintenance will extend many years beyond the contract for STAIEP funding. Therefore the measurement for participation and subsequent release of state funds is an executed contract with the appropriate agency.

- 4) The RFA states that farms must be participants in the AEM program to be eligible. Some farms have CNMPs developed by consultants or NRCS. Does this qualify?

*Yes. The RFA states that AEM participation is defined as completion of an AEM Tier 1 Questionnaire and the appropriate AEM Tier 2 Risk Assessment Worksheets for all aspects of the farm operation; **or** an AEM Tier 3 Plan developed within the past 3 years. The CNMP qualifies as an AEM Tier 3 Plan.*

- 5) Are already existing, but not yet completed, EQIP streambank restoration projects under contract eligible for the Environmental Stewardship Incentive?

No.

- 6) In regards to a qualified stewardship program, is the USC Riparian Forest Buffer Contribution Program eligible?

Yes.

- 7) For the Environmental Stewardship Incentive, would an applicant be eligible to receive the incentive if they re-enrolled acreage into an approved Environmental Stewardship Incentive Program if contract is due to expire September 30, 2016?

Yes.

- 8) **Will enrolling in the Precision Feed Management Program qualify for the STAIEP Environmental Stewardship Incentive?

No.

- 9) ** Can STAIEP funds be used to complete an eligible project, which subsequently qualifies you for the Environmental Incentive funding?

No.

VI) Planning Requirements

- 1) Who would be considered ‘certified’ to write a business plan and review the business plan? Farm Credit? Co-Operative Extension? Corning Community College?

All the entities mentioned here would qualify to write business plans. See the RFA for more information.

- 2) What are the planning requirements for production (non-environmental) practices? Can the plan simply be a one pager with existing condition, planned practice, cost estimate, planned

condition, and exactly how that has an economic gain on the farm? Or is it more complicated than that? Can we do them or does it have to be someone different, if so who?

Specific requirements can be found in Section II B. Project Eligibility. Additional instructions can also be found in the application.

- 3) Would a one page letter from a lending institution saying they would lend the match sum and they see this project as an economic benefit to the farm suffice or not?

No. The letter would qualify as a commitment of cash match, but would not meet the requirements for the business plan or the profitability analysis.

- 4) Are planning costs an eligible expense?

No. Planning costs related to the development of a farm business or environmental plan are not eligible as they are incurred prior to the award of a project.

- 5) The RFA states that a copy of a CNMP could be submitted via digital format, however, could a summary of the CNMP which identifies the need for the proposed project be submitted as the "environmental" plan? Anyone that has written or at least looked through a CNMP, particularly for a large farm, knows that it is usually a large ring binder full of maps, soil samples, manure spreading schedules, etc. that I don't anticipate the reviewers in Albany wanting to look at very much in depth. Can the SWCD certify that they have seen or know the farm has a CNMP, and submit a simple summary as mentioned above?

The STAIEP program recognizes that CNMPs may be lengthy and detailed documents, and the reviewers will be looking for very specific sections. In most cases, it would make sense to submit a pdf file of the entire plan. However, the minimum requirements for what to submit are:

- *BMP System Implementation Schedule for the entire farm (for full context)*
- *Section of the plan relevant for the project, including:*
 - *Maps, ideally showing both the existing and planned condition;*
 - *Plan documentation/analysis describing the details of (1) the existing condition, (2) the resource concern, and (3) the planned BMP system to address the resource concern.*
 - *O&M for the BMP system(s)*

- 6) Cornell Cooperative Extensions work with farmers to develop business plans, however, much of the business plan is written by the actual farmer under the guidance of an extension agent. Is this considered a self-generated plan or a third party business plan?

Based upon the information provided, the plan appears is written "in consultation with a qualified third party" and, therefore, meets the requirements. Note that the application requires a description of how the qualified third party, in this case CCE, meets the definition of a qualified third party as defined in I C of the RFA.

- 7) What are you looking for under Part C on the application 'Project Staff'? Landowner, planner, engineer?

A list of the individuals responsible for completing the project.

- 8) Is a drainage project eligible as an environmental project (requiring an environmental plan) or as a productivity project (requiring a business plan)? If it is an environmental project, the District would like to create a boilerplate template that we can enter farm specific data into to produce output that might satisfy the environmental planning requirement for drainage projects. Would this be eligible for the planning requirement?

The sub-surface drainage project would fit the definition of a productivity practice rather than an environmental practice, and would need the required business plan.

Drainage does, however, increase certain environmental risks on the farm, and the Conservation District is encouraged to work with the farm to address those concerns through the planning and design processes.

- 9) The RFA (section II-B 2) states that self-generated plans will not be accepted. Does this mean that farmers cannot go online and pick a business plan template and complete it themselves? Do the farmers need some type of consultant to prepare and sign off on it?

The RFA does not dictate use of a certain template. The farmer can prepare this information and have it reviewed by a qualified third party. The RFA considers this a “plan prepared in consultation with a qualified third party”.

- 10) Are there any templates or other guides available for what is sufficient content for the plans?

There is no template to use for submitting the information required to meet the business plan or environmental plan requirement other than the components listed in the RFA. The complexity of the information to be provided will depend upon the complexity of the farm operation, the farm’s financial condition, and/or the specifics of the project. The Department reserves the right to request additional information from an applicant in order to evaluate the application for compliance with the eligibility criteria stated in the RFA.

**Budget Scenarios

- 1) Can you provide some budget scenarios to assist in clarifying the intent of the RFA?

If an applicant was trying to leverage \$100,000 in state funds.

*The **total eligible project cost** would have to be at least \$133,334.*

The applicant match would have to be \$33,334, in eligible funds.

*If the **total eligible project cost** was \$80,000.*

The state would provide 75% for a total of \$60,000.

The applicant match would be 25% for a total of \$20,000, in eligible funds

*If the **total eligible project cost** was \$200,000.*

The state funding would be capped at \$100,000.

The applicant match would be a minimum of 25% of the \$200,000 for a total of \$50,000.

In this scenario the applicant match would actually calculate out to be 50% which exceeds the minimum requirement.

If an applicant was trying to leverage \$100,000 in state funds, but also qualified for the \$10,000 environmental stewardship payment.

*The **total eligible project cost** would have to be at least \$143,334. The ESP funding would be subtracted from the total eligible project costs before calculating the percentages.*

The state funding would be 75% of \$133,334 for a total of \$100,000

The applicant match would be \$33,334, in eligible funds.

The actual total state funds received would be \$110,000 due to the inclusion of the ESP payment.

*If the **total eligible project cost** was \$60,000 and the applicant qualified for the \$10,000 environmental stewardship payment.*

The ESP would be subtracted from the total eligible project costs before calculating the percentages.

The state funding would be 90% of \$50,000 for a total of \$45,000.

The applicant match would be 10% of the \$50,000 for a total of \$5,000

The actual total state funds received would be \$55,000 due to the inclusion of the ESP payment.

In this example the addition of the ESP payment exceeds the lower \$50,000 threshold for available funds, but that does not trigger a higher applicant match.

*If the **total project cost** was \$200,000, \$125,000 in eligible costs and \$75,000 in ineligible costs*

The ineligible costs of \$75,000 should be subtracted from the total project costs prior to applying the percentages.

The state funding would be 75% of \$125,000 for a total of \$93,750 in state funds.

The applicant match would be 25% of the \$125,000 for a total of \$31,250.

The applicant would be responsible for the remaining \$75,000 in ineligible costs.

*If the **total project cost** was 210,000, 135,000 in eligible costs and 75,000 in ineligible costs, and the applicant also qualified for the for the \$10,000 environmental stewardship payment.*

The ineligible costs of \$75,000 must be subtracted from the total project costs.

The Environmental Stewardship Project funding would then be subtracted from the total eligible project cost before calculating the percentages.

The state funding would be 75% of \$125,000 for a total of \$93,750 plus the \$10,000 ESP for a total of \$103,750.

The applicant match would be 25% of the \$125,000 for a total of \$31,250.

The applicant would be responsible for the remaining \$75,000 in ineligible costs.

Ineligible costs can be included under other on the application budget but must be subtracted before applying the state funding and match percentages.