

An Overview of the Best Management Practice (BMP) EQIP-Assist Program Process

Vermont Agency of Food, Agriculture & Markets (VAAFAM) – Water Quality Division

About: The Best Management Practice (BMP) Program, administered by the Vermont Agency of Agriculture, Food & Markets (VAAFAM), provides technical and financial assistance to help farmers implement structural, engineered improvements designed to abate agricultural waste discharges in Vermont waters. The BMP EQIP-Assist program can serve as additional cost-share on eligible USDA Natural Resources Conservation Service (NRCS) - Environmental Quality Incentives Program (EQIP) contracts. This document provides a step-by-step overview of the BMP project process on EQIP-Assist projects. **All steps which require action from the applicant/grantee are underlined.** Please note that every application and project is different. The project process may vary depending on the unique project and involved staff.

Keep in communication with VAAFAM staff. Your NRCS staff will be the lead on project planning and design, but you need to work with your NRCS staff to ensure VAAFAM staff are kept informed of all significant project developments, particularly regarding project design, costs, and timeline.

- 1) **Submit Your BMP Application:** Fill out and submit a BMP application. Apply as soon as you've ranked out for an NRCS EQIP contract.
- 2) **Follow-up Phone Call from VAAFAM Staff:** After you apply, VAAFAM staff will follow up to confirm receipt of your application, provide an overview of the BMP program, and ask you a few questions about your farm and EQIP application/contract. Be sure to specify which NRCS staff you're working with and if you're already working with VAAFAM staff. If our staff believes your EQIP project is eligible for cost-share, you will be assigned a VAAFAM engineer.
- 3) **Follow-up Visit(s) from VAAFAM Staff:** Staff will follow up with you to schedule and conduct a farm visit to review your project plans. The visit will usually be conducted by an engineer and/or a BMP program coordinator, NRCS staff may also attend.
- 4) **VAAFAM Staff Determine Project Eligibility & Ranking:** VAAFAM engineering staff will determine your project's eligibility for BMP financial assistance. To be eligible for BMP, a project must meaningfully address an agricultural water quality concern. You will be informed of VAAFAM's eligibility determination either during the initial field visit, or during a follow-up call or visit. BMP eligible EQIP-Assist projects receive funding priority and will automatically rank out for BMP funding, provided sufficient funds are available.
- 5) **Send in Grant Paperwork:** VAAFAM will require the following paperwork from you before the grant agreement can be drawn up. A VAAFAM staff member will be in contact with you to collect this information:
 - a. A signed VAAFAM good standing form,
 - b. A certificate of liability insurance which covers VAAFAM & its staff as an additional insured, and
 - c. A completed W-9 form (if you are not already active in the state's payment system).
 - d. 1155/1556 forms from your EQIP contract. These will be collected directly from NRCS staff.

- 6) **Collect and Send in Cost Estimates & Quotes:** VAAFM needs cost estimates/quotes to set up a BMP grant. Once you have NRCS designs & specifications for the project, you will need to connect with contractors able to install the project and get quotes/cost estimates for the work. After you have cost estimates for the project, you will need to send the estimates to VAAFM staff for review. These cost estimates will help determine the BMP grant total for your project. Your VAAFM engineer may want to set up a meeting with you, your contractor(s), and your NRCS team to discuss the project further.
- 7) **Create Project Financing Plan:** Carefully review the cost estimates and anticipated cost share amounts for the project from both NRCS and VAAFM. Be sure to review BMP cost share policy and discuss any questions you have with VAAFM staff. Create a plan for how you will pay for the project. For EQIP-assist projects, federal and state contributions, at maximum, will only cover 90% of project costs. This means that you are expected to cover, at minimum, 10% of project costs (unless you have secured additional sources of costs, e.g., through VHCB). Your financing plan should include how you will pay for your portion of the project and how you will temporarily cover project costs until the time of NRCS and VAAFM payment. If you are unable to front project costs, consider looking into bridge loan options or discuss creating a payment plan with your contractor(s).

Please note: VAAFM will not provide payment until after a practice/project is complete, certified, and paid by NRCS.

- 8) **Grant Agreement Prepared:** Once your VAAFM engineer has reviewed & approved the cost estimates and our staff has received all necessary paperwork, a grant agreement for the project will be drawn up by VAAFM staff.
- 9) **Review & Sign Grant Agreement:** Once the grant agreement is ready, it will be sent to you for review and signature via email. VAAFM uses an online signature software called DocuSign which you will use to review and sign the grant agreement. Paper copies can be sent on request. Please review the grant agreement carefully—you are welcome to get in contact with VAAFM staff if you have any questions.
- 10) **Grant Agreement Executed:** Once you and the VAAFM representative sign the grant agreement, the grant agreement will be considered executed. You will receive an email with a copy of the fully signed grant agreement once it is completed. The grant agreement will outline the *maximum* potential payment amount that VAAFM will provide. Actual VAAFM payment will depend on project costs and federal cost share amounts.
- 11) **Continue with Construction:** Please keep VAAFM staff informed of all construction plans and the anticipated timeline. Depending on the complexity and nature of the project, VAAFM staff may want to be present for parts of construction. Ensure VAAFM staff are invited to the pre-construction meeting.
- 12) **Track Receipts & Expenses:** In contrast to the NRCS payment structure which uses predetermined, flat-rate payments, VAAFM determines BMP payment rates based on eligible costs documented on the receipts & invoices. Be sure to keep detailed records of all associated project expenses and collect all receipts & invoices from involved contractors. Track all your personal labor and expenses towards the project, as these may also be eligible for reimbursement. Ensure that there is sufficient detail on all receipts & invoices, this will speed up VAAFM's review process.

Please note: While the cost of *renting* a tool is a reimbursement-eligible expense, the cost of *purchasing* a tool is not a reimbursement-eligible expense.

- 13) **Notify Staff when Construction is Complete:** After all project construction is complete, please let program staff know. Your VAAFM engineer will conduct a site visit and certify that the practices were satisfactorily built to standards.
- 14) **Submit Receipts to VAAFM:** To receive your VAAFM reimbursement check, you must submit all receipts & invoices to VAAFM. VAAFM staff will review receipts to determine the eligibility of all listed items. VAAFM may contact you with questions on receipts.

Please note: VAAFM can provide payment only after construction of a practice or project is completed. Most BMP grants are paid after the *entire* project is completed. In some cases, payments can be broken up by practice, which can be certified and paid out in smaller portions, based on the discretion of your VAAFM engineer (this is most common for multi-year EQIP-assist projects). For practices receiving both NRCS and VAAFM funding, VAAFM can only pay out on a practice after NRCS has completed their payment on the practice. After you receive NRCS payment, make sure your NRCS staff provide VAAFM staff with your NRCS-CPA-1245 documents (these outline completed NRCS payments).

- 15) **Payment Processed and Sent:** VAAFM payment amount is based on a combination of your BMP grant maximum, eligible documented expenses, and federal payment rates on the cost-shared practices. After VAAFM completes their review of receipts and relevant NRCS-CPA-1245(s), and certifies satisfactory project/practice completion, a check will be issued to you. From the receipt of completed invoices and NRCS-CPA-1245s, issuance of VAAFM payment may take up to 60 days. Your check will be sent in the mail to the address listed in your provided W9. You will be notified via email when the payment is processed, and the check is on its way.
- 16) **Notification of Grant Agreement Completion:** You will receive an email notifying you when your grant agreement is complete. Notification of grant agreement completion is typically included in the email notifying of your *final* project payment.
- 17) **Maintain Installed Practice(s):** You are expected to maintain the installed practice(s) in accordance with your grant agreement. You may receive VAAFM field checks throughout the length of the outlined maintenance agreement. Please reach out to BMP staff if a situation arises where you have any concerns about your ability to maintain the practice(s) in accordance with the agreement.

If you have questions at any point in the application or project process, please reach out to VAAFM staff.

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To learn more about the BMP Program and apply online, visit agriculture.vermont.gov/bmp

