



Natural Resources Conservation Service

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## SAMPLE CPC CANCELLATION WITH COST RECOVERY LETTER

[Date]

[Landowner's Name]

[Street Address]

[City, State, ZIP code]

Re: Wetlands Reserve Program (WRP) Conservation Program Contract Cancellation  
with Cost Recovery

Dear [Landowners]:

NRCS is in receipt of your [date of request] written request for cancellation of your WRP Conservation Program Contract [contract number]. Effective on the date of this letter, your contract has been cancelled, in keeping with your written instructions. According to [program regulation section or paragraph], all rights to any payments under the contract are forfeited, and NRCS may require participants to refund all payments and pay liquidated damages.

In this specific case, the State Conservationist has determined that NRCS must recover costs in the amount of \$ \_\_\_\_\_ for the cancellation of your contract because you have [reason for cancellation].

The total cost recovery includes the following:

- \$ \_\_\_\_\_ for cost share or incentive payments made to you under the contract
- \$ \_\_\_\_\_ for liquidated damages

**Note:** The assessment of liquidated damages does not constitute a penalty for the cancellation, but only serves as a recovery of NRCS's administrative and technical costs. The amount of liquidated damages is up to 20 percent of the total financial assistance funds obligated to the contract at the time of cancellation.

The cancellation of your WRP Conservation Program Contract as well as the right of NRCS to recover costs is not appealable for the following reasons:

- The contract cancellation was completed at your written request.
- NRCS's right to recover costs is a matter of program regulation.

The amount of cost recovery is appealable.

If you feel that the amount of this cost recovery has been assessed incorrectly or that NRCS did not consider all the facts as to why you were unable to comply with the contract terms and conditions, you may provide a written request for either a full or partial waiver of the cost recovery to [State Conservationist's name and contact information]. Any request for a waiver must include the following information in accordance with [appropriate regulatory section]:



- Type of waiver requested, full or partial
- The good-faith effort shown in implementing the contract's terms and conditions
- Personal or financial hardships that were beyond your control and that prevented your implementing the contract terms and conditions

**Note:** Any claim of hardship must include sufficient supporting documentation that the personal or financial hardship existed, that it was beyond your control, and that it prevented you from complying with the contract terms and conditions.

- When the personal or financial hardship began

**Note:** If the hardship began prior to NRCS's awarding the WRP Conservation Program Contract, your claim will not be considered, as that is considered a preexisting condition of which you were aware.

If you want to appeal the decision without consideration of a waiver, the following is provided as notification of your appeal and mediation rights under the USDA administrative appeals procedures, 7 CFR Part 614 and 7 CFR Part 11.

You may appeal to the Farm Service Agency (FSA) County Committee, at [contact information]. Informal appeals to the FSA county or State committee must, in accordance with the FSA appeals regulation at 7 CFR Section 780.11, include a review of the decision upon a finding of merit by FSA.

You may request mediation from [contact information for mediation]. You may appeal to the Assistant Director, [regional office], National Appeals Division, at [contact information].

If you choose to appeal this decision or to request mediation, you must do so in writing no later than 30 days from the date that you received this notification. Your request must include the following information:

- A copy of this notification and decision
- The reason NRCS's decision is incorrect

**Note:** You must indicate why the NRCS decision is erroneous to you, individually, as a matter of law and regulation.

- A copy of any request for appeal or mediation to this office at [contact information].

If you do not request a waiver, appeal, or mediation within the time prescribed, you must submit payment for the full amount of the cost recovery assessment to the following address, making your check payable to NRCS:

Natural Resources Conservation Service  
Attn.: Financial Management Section  
[State Office Address]  
[City, State, and ZIP Code]

If, after 30 days of your receipt of this letter, you have not made payment, as described above, collection will be turned over to the USDA National Finance Center (NFC). This is the standard automated billing utilized by NFC for collections. Please note that under debt collection procedures, all bills not paid within 30 days of the billing date will accrue interest. It is best, therefore, to process this payment in a timely manner.

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If you have any questions regarding the matter, please call [name and contact information].

[Name of State Conservationist]  
State Conservationist

cc:

District Conservationist  
ASTC for Field Operations  
ASTC for Programs  
SAO

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