1. **A.** The **amount of cost-recovery** is up to 20 percent of the total funds obligated on form CCC-1200 at the time of contract termination, and will be an amount over and above repayment of technical (if TSP was utilized) and Financial Assistance costs paid to participants. This amount will be charged if termination of the contract is for one of the following reasons:
   - Termination was due to fraud
   - The participant voluntarily requests termination
   - The participant voluntarily loses control or transfers all or part of the land under contract, and there is no successor-in-interest
   - Termination due to non-compliance with contract provisions

2. **B.** The State Conservationist has the option to waive or reduce all or part of Recovery Costs for the following reasons:
   - The participant’s involuntary loss of control of the land under contract
   - A hardship beyond the participant’s control that has prevented compliance with the contract
   - The participant has made a good faith effort to comply with the contract

3. **C.** When the State Conservationist makes the decision to reduce the amount of cost-recovery below 20 percent of the contract amount, the amount of recovery will be calculated on the following formula:
   - (Number of hours NRCS spent on the contract administration including by not limited to the survey, design, and layout for all practices in the contract where work was done) $ \times $80.00 = cost-recovery amount

4. **D.** The State Conservationist based on hardship beyond the control of the participant and a good faith effort, may waive all cost-recovery.