

ACEP-ALE Cost-Share Assistance and Match Requirements (2018 Farm Bill Enrollments Only)

General Information

There are two types of enrollments available under the Agricultural Conservation Easement program – Agricultural Land Easements (ACEP-ALE): General and Grasslands of Special Significance (GSS). Each enrollment type has specific requirements for cost-share and matching funds. These requirements are based on the fair market value (FMV) of the easement as determined by an appraisal or other means of easement valuation and as accepted by the Natural Resources Conservation Service (NRCS). The determination of FMV cannot include any amounts for other costs for acquisition or management. The eligible entity must provide information on the estimated FMV and all contribution sources at the time of application. If funded and before closing, the eligible entity will provide a final listing of sources on the “Statement to Confirm Matching Funds” form and will provide supporting invoices or receipts as applicable.

Federal v. Non-Federal Share

Table 1. Federal and Non-Federal Share Requirements.

	Federal Share (max. % of FMV)	Non-Federal Share (min. % of FMV)
General ALE Enrollment	50%	50%
ALE-GSS Enrollment	75%	25%†

†Estimation. The Non-Federal Share for GSS must be at least equivalent to the Federal share or satisfy the remainder of the easement FMV, whichever is less.

To be eligible for up to 75% Federal Share, the parcel must meet the established qualifications of GSS and the GSS option must be selected on the CPA-41A form. The GSS definition and other criteria can be found in Section D of the “ACEP-ALE Colorado Parcel Application Questionnaire.” There are no longer cash contribution waivers available for GSS or any other enrollment.

Non-Federal Share Requirements

The Non-Federal Share may be comprised of various sources. The allowable sources are listed below and should be considered in the order they appear (#1-4). No other sources will be considered.

1. The eligible entity’s own cash resources for payment of easement compensation to the landowner. The resources may be in-hand or committed. If these resources are less than 10% of the easement FMV, the eligible entity must provide NRCS with specific evidence of funding or capacity available to manage, monitor, and enforce the easement.
2. A landowner donation toward the easement value in the form of a charitable donation or qualified conservation contribution (section 170(h) of IRC of 1986). No other form of donation is acceptable. *ACEP-ALE does not require the landowner to donate any part of the easement FMV.*
3. The procured costs paid by the eligible entity from sources other than the landowner (directly or indirectly) to a third-party for *ONLY* the items listed below. If not listed here, the procured cost is not acceptable for the Non-Federal Share. If the cost of any one of the items listed below is counted toward the Non-Federal Share, the report or service *must* meet the standards or requirement as identified in the ALE agreement or other NRCS-provided documentation.

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- a. Appraisal
 - b. Legal boundary survey of the easement area
 - c. Full phase-I environmental site assessment that meets the requirement of 40 Code of Federal Regulations (CFR) Part 312
 - d. Title commitment or report
 - e. Title insurance
 - f. Closing costs
4. Up to 2% of the easement FMV toward stewardship and monitoring costs contributed by the eligible entity from sources other than the landowner (directly or indirectly). Any amount over 2% will not be counted.

Examples

Example 1: Determination of the Amount of the Federal Share for General-ALE Enrollments:

FMV of ALE	\$500,000	\$500,000	\$500,000	\$500,000
Eligible Entity Cash (item (2)(i))	100,000	20,000	70,000	200,000
Landowner Donation (item (2)(ii))	150,000	200,000	100,000	200,000
Procured Costs Paid by Entity (item (2)(iii))	Not included	30,000	20,000	Not Included
Stewardship/Monitoring Costs (item (2)(iv))	Not included	Not Included	10,000	Not Included
Total Non-Federal Share	250,000	250,000	200,000	400,000
Total Federal Share for General ALE	250,000	250,000	200,000	100,000
Eligible Entity Cash Contribution as Percentage of FMV	20%	4%*	14%	40%

Example 2: Determination of the Amount of the Federal Share for ALE-GSS Enrollments:

FMV of ALE	\$500,000	\$500,000	\$500,000	\$500,000
Eligible Entity Cash (item (2)(i))	62,500	25,000	120,000	150,000
Landowner Donation (item (2)(ii))	62,500	70,000	100,000	150,000
Procured Costs Paid by Entity (item (2)(iii))	Not included	30,000	20,000	Not Included
Stewardship/Monitoring Costs (item (2)(iv))	Not included	Not Included	10,000	Not Included
Total Non-Federal Share	125,000	125,000	250,000	300,000
Total Federal Share for ALE-GSS	375,000	375,000	250,000	200,000
Eligible Entity Cash Contribution as Percentage of FMV	13%	5%*	24%	40%

*See requirements in #1 of the "Non-Federal Share Requirements" section for cash contributions less than 10%.