

Canceling Your Contract

What's an EQIP contract?

When you enroll in the Environmental Quality Incentives Program (EQIP), you must sign a Conservation Program Contract (NRCS-CPA-1202). This means you have entered a binding contract with the United States Department of Agriculture. The contract appendix lists the exact contract parameters you have agreed to; and the Schedule of Operations (NRCS-CPA-1155) lists the specific contract items and time frame you have agreed to.

What's the difference between cancellation and termination?

Cancellation is an equitable remedy that allows both you and USDA to end the contractual relationship. Any payments made to you by USDA may or may not be recovered. It depends on your unique circumstances surrounding the cancellation. Liquidated damages will not be assessed for contract cancellations.

Termination, on the other hand, is an adverse action that usually results in an assessment of liquidated damages to recover costs associated of the breached contract, as well as recovery of financial assistance payments. A termination occurs when there is a material breach of the terms and conditions of the contract.

How do I cancel my contract?

Submit a request in writing to your local USDA office. The request must include substantial documentation on the reason for cancellation. USDA will review the request and determine if there's appropriate justification for agreeing to end the contract. Each request is reviewed on a case-by-case basis.

Why would I cancel my contract?

You may request cancellation of your contract due to extenuating circumstances that have occurred after the contract obligation date. Typical reasons for cancellation are: a natural disaster prevents installation of a conservation practice; documented personal or economic hardships; military service; moving; or environmental or archaeological concerns.

Will I need to return any payments?

Possibly. USDA will determine the need for repayment of any financial assistance on a case-by-case basis depending on the circumstances. In addition, if your contract is canceled you forfeit all rights to any payments remaining under the contract.

Does cancellation impact future work with USDA?

You are still eligible to participate in USDA conservation programs if you have a canceled contract.

