

## 2011 County Agricultural Investment Program (CAIP) INVESTMENT AREAS STANDARD GUIDELINES

1. A producer is defined by use of **Social Security Number (SSN) and Farm Serial Number (FSN)**. **Both shall be provided when applying. Once the Social Security Number (SSN) or Farm Serial Number (FSN) is used, neither are eligible to be used again once annual limit is reached.** [Example: SSN – 123-45-6789 combined with FSN – 4567, would discontinue the eligibility of both the SSN & FSN.]
2. Approved producers shall submit the Producer Report associated with the program/investments being cost-shared, **before** reimbursement funds are received.
3. The program shall be open to all county producers and shall not be tied to participation in any organization. Administrators shall not reject an application solely based on the applicant's residency, assuming funding is available and the application meets the program guidelines. Administrators shall accept an application if the applicant's farm is located in the county and the cost-share will be used in the county, even if the Farm Serial Number (FSN) is registered in another county.
4. Each producer who receives \$600 or more shall be supplied an IRS form 1099 or equivalent tax accounting documentation. The program administrator is responsible for distributing the necessary tax information.
5. The program administrator will include eligible cost-share program expenses for reimbursement on a retroactive basis. However, this retroactive date shall not be before **January 17, 2011**.
6. Program administrators shall be required to conduct random site visits.
7. The Universal Producer Application must be signed and dated by the producer and include the initials of person logging in the application.
8. A Universal Producer Application from an individual without a Social Security Number (SSN) and Farm Serial Number (FSN) will be considered **incomplete**. Tenant farmers or those leasing land where capital construction improvements will be located should supply a copy of their Schedule F as well as a letter from the land owner giving permission to use owner's FSN and agreeing to allow the tenant access to the cost-share items for a minimum of five years.

### Producer Funding Guidelines

The County Administrative Entity and/or the County Administrator reserve the right to request or require additional sufficient documentation. Confirmation of fraudulent activity will result in disqualification for future participation.

1. Funds disbursed to producers will be on a reimbursement basis.
2. The producer shall supply a numbered and dated receipt indicating buyer and seller information in order to be eligible for payment. Payment shall only be made for eligible cost-share items identified.
3. Documented hired labor is an eligible cost-share item.
4. **Beginning in 2010**, remove all transport equipment as eligible cost-share items from all investment areas. This exclusion includes trailers, wagons, and carts with the primary function of transportation. Equipment exclusively used to apply, mix, process, store, harvest, and/or distribute are eligible cost-share items.
5. Producers who intend to take part in the program shall supply a Social Security Number (SSN) and Farm Serial Number (FSN) to receive payment. Both of these numbers must be supplied to the Kentucky Agricultural Development Board. The Kentucky Agricultural Development Board recognizes every applicant's right to privacy and understands it's obligation to keep applicant/producer information confidential. Any information provided to the Kentucky Agricultural Development Board or Program Administrator on individual producer applications for CAIP, such as the applicant's Social Security Number and Farm Serial Number, will be kept confidential by authority of the Kentucky Agricultural Development Board as granted in KRS 248.701 to 248.727 and by KRS 61.878. The Kentucky Agricultural Development Board does not disclose any nonpublic personal information regarding applicants/producers, past or present, except as permitted or required by the Kentucky Open Records Act, KRS 61.870 to 61.884 or other law(s).
6. [For capital improvement/equipment projects] Producers shall provide an annual report to administrators on the program and maintain ownership of the property for 5 years past the participation date in the program. Should a producer fail to maintain ownership of property for the entire 5 years, administrators shall request a return of funds on a prorated basis\*. Failure to return funds will result in producer being ineligible to receive additional Kentucky Agricultural Development funds.  
\*Emergency early release is possible in the case of death, illness, physical inability or transfers within immediate family and must be approved by the local administrative entity.
7. Should the producer fail to utilize funds by the program administrator's reimbursement deadline, said funds shall be reallocated to the next available application.
8. Producers shall retain adequate insurance coverage, if applicable, to replace any and all capital improvement/equipment projects funded with Kentucky Agricultural Development Funds.