

C.A.I.P. STANDARD GUIDELINES

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.

Participation in appropriate agricultural educational sessions shall be required to receive funding in all Kentucky Agricultural Development Board programs.

Tobacco dependency documentation may include a Phase II check, Buyout Contract/check, or current tobacco contract.

Approved producers shall submit the Producer Report associated with the program/investments being cost-shared, **before** reimbursement funds are received.

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.

Eligible cost-share program expenses for reimbursement on a retroactive basis shall not be more than 12 months prior to the producer's application for this program.

Program administrators shall be required to conduct random site visits.

Cost-share on Labor is **not** an eligible item; materials only. Documented hired labor is an eligible cost-share item in the On-Farm Energy Efficiency & Production Investment Area.

[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 transfer within immediate family and must be approved by the local administrative entity.

Producers shall retain adequate insurance coverage, if applicable, to replace any and all capital improvement/equipment projects funded with Kentucky Agricultural Development Funds.

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.