

Policies and Guidelines

(As of May 12, 2015)

The following policies and guidelines were approved by the NC ADFP Trust Fund Advisory Committee. The list is not all-inclusive and will be periodically updated.

Agricultural Conservation Easements

Preference: Preference will be given to projects protecting whole farm units rather than projects protecting partial acreage. (Approved 09-03-08)

Term (Non-Permanent) Easement Value: Term agreements will be paid on a percentage of the easement value and will be eligible for funds as follows: (Approved 12-11-07)

50 year easement	60% easement value
40 year easement	40% easement value
30 year easement	30% easement value
20 year easement	20% easement value
10 year easement	10% easement value

Term Easements & EVAD Relationship: Agricultural Conservation Easements may be used to add additional years to an existing EVAD agreement but can not grant funds for the remaining time of existing EVAD agreements. (Approved 12-09-08)

Appraisals (Permanent Easements): A comparable sale or recent appraisals of nearby tracts will be needed to assess land values when initially submitting an application. ADFP grant when partnered with the USDA Farm & Ranchlands Protection Program, Forest Legacy Program, or other federal programs which require a full yellow book appraisal, ADFP Trust Fund will accept the full yellow book appraisal. Otherwise, the appraisal must be completed by either a N.C. State Certified Residential or N.C. State Certified General Real Estate Appraiser and comply with Uniform Standards of Professional Appraisal Practice, (USPAP) as published by the Appraisal Standards Board. ADFP Trust Fund monies may not be used to pay for appraisals. However an appraisal expense can be used as a matching grant resource. An appraisal will not be required when grant applicant is only awarded funds for transactional costs. All appraisals must be completed with 90 days of the easement closing. (Revised 9/30/09)

Appraisals (Term Easements): A comparable sale or recent appraisals of nearby tracts will be needed to assess land values when initially submitting an application. The appraisal must be completed by either a N.C. State Certified Residential or N.C. State Certified General Real Estate Appraiser and comply with Uniform Standards of Professional Appraisal Practice, (USPAP) as published by the Appraisal Standards Board. ADFP Trust Fund funds may not be used to pay for appraisals. However an appraisal expense can be used as a matching grant resource. An appraisal will not be required when grant applicant is only awarded funds for transactional costs. All appraisals must be completed with 90 days of the easement closing. (Revised 9/30/09)

Surveys: If the property has a reliable metes and bounds description, then additional surveying will not be required at the time of closing. However, if the deed description is outdated and without permanent defined points, then an updated survey will be needed before closing. This is consistent with other federal programs, which may be used as a match for an ADFP Trust Fund grant. Building envelopes or partial farm easements will also need to be surveyed or GPS located before the easement is signed and final grant payment is received. ADFP funding may be used to cover survey costs. (Revised 12-09-08)

Easement Requirements: Applicants may require forest management and conservation plans from the grantor of the easement (landowner, farmer, etc.). Applicants may also require that the grantor of the easement (landowner, farmer, etc.) provide notice of the completion of any forestry activities. However, applicants may not require any prior notice be given before any type of harvest. (Approved 09-03-08)

Easement Grants: Allowable transaction costs may be included in grant allocation in addition to determined easement value of the land parcel. The total grant allocation may not be increased above contract amount. *(Approved 12-09-08)*

Easement Purchases: Recorded easement acreage shall have no more than a 5% variance less than the proposed number of acres contacted without prior written approval of the Trust Fund. The share of the funds used to purchase the agricultural easement from matching resources and Agency resources must be maintained as approved in contract. *(Approved 5/12/2015)*

Easement Contracted Purchase Exceptions: The ADFP Trust Fund may grant an exception to the share of the funds provided that matching resources for easement purchase or donation of value is 50% or greater. If proposed matching resources for easement purchase are not provided or reduced, the contracted easement acres may be reduced equivalently to the reduction of proposed matching resources. *(Approved 5/12/2015)*

Baseline Documentation: Baseline documentation is required for all easements prior to closing and recording of an easement. *(Approved 12-09-08)*

Environmental Audit: All easements will require disclosure of any environmental hazards by the landowner and the grant recipient. Any noted environmental hazards must be rectified prior to closing and recording the easement. *(Approved 12-09-08)*

Building envelopes: Up to 3 building lots may be designated per easement. All lots must be clearly defined by a survey and properly described in the easement language and recorded with the County Register of Deeds. Lots may not compromise the conservation value of the property or restrict the agricultural production of agricultural crops, horticulture or forestry production on the parcel of land being considered for an agricultural easement. Building envelopes must comply with all county zoning regulations and be limited to only one housing unit. *(Approved 12-09-08)*

Farmstead Area Designations: Agricultural conservation easements may allow for one or more "Farmstead Areas". A "Farmstead Area" must be clearly defined in the baseline documentation and properly described in the easement language. A "Farmstead Area" may not compromise the conservation value of the property or restrict the agricultural production of agricultural crops, horticulture or forestry production on the parcel of land being considered for an agricultural easement. Any structure in the Farmstead Area must be complimentary to agriculture production and comply with all county zoning regulations. *(Approved 12-09-08)*

Matching Requirements

Match Source: Match may not be from a like kind appropriation source as the ADFP Trust Fund grant funding. Example, NCDA&CS state appropriated funding matching ADFP Trust Fund state appropriated funding. *(Approved 5/12/2015)*

Matching Requirements for Permanent Easements: Matches can be in-kind, cash, donated easement value, or money from other programs of like kind to the ADFP Trust Fund. Programs used for matching must restrict the development rights and have restrictive language attached to the deed. For example, a funding match from USDA Farm & Ranch Protection Program would be eligible while a USDA Conservation Reserve Program would not be eligible. Matches must be directly associated with and concurrent to the land parcel being considered for an ADFP Trust Fund grant. Monitoring and transaction fees associated with the land parcel under consideration may be considered a match provided all cost values can be fully disclosed and certified before final grant payment is received. Monitoring fee matches are capped at 3% of the agricultural conservation easement value of the land parcel. ADFP Trust Fund grants can not be used for indirect costs. *(Revised 12-09-08)*

Matching Requirements for Term Easements: By defining the value of a term easement, land owner donations and any partnering term easement program restricting development rights on the deed could then be considered for match. ADFP Trust Fund grants can not be used for indirect costs. Programs used for matching must restrict the development rights and have restrictive language attached to the deed. Matches must be directly associated with and concurrent to the land parcel being considered for an ADFP Trust Fund grant. Monitoring and transaction fees associated with the land parcel under consideration may be considered a match provided all cost values can be fully disclosed and certified before final grant payment is

received. Monitoring fee matches are capped at 3% of the term agricultural conservation easement value of the land parcel. *(Revised 12-09-08)*

Matching Requirements for Agricultural Development Programs: Agricultural development programs can use in-kind services, cash, land donation, labor hours, and equipment costs as matches but the burden of proof lies on the applicant. A statement of value for such items as equipment must be certified by a specialist or an authority in the respective field. ADFP Trust Fund grants can not be used for indirect costs. *(Approved 12-11-07)*

Monitoring and Stewardship Funding

Beginning with grant cycle IX, ADFP Trust Fund may provide funding for monitoring and stewardship of ADFP Trust Fund easements. Funding is limited to 3% of the appraised easement value being purchased by the ADFP Trust Fund and must be equally matched. The ADFP Trust Fund shall approve the administrative account management and the monitoring / stewardship policies of the easement holder. The grant funding will be restricted to expenditures associated with monitoring and stewardship of the property. *(Approved 5/12/2015)*

Land Transfer and Sale

Land Division: Any parcel of land with an ADFP agricultural conservation easement will be limited to a minimum division of 20 acres in size. Any division of a land parcel must maintain agriculture, horticulture or forestry present use value status as designated by the State of North Carolina at the time of transfer. *(Approved 12-09-08)*

Contracts

Determination: If a selected grant recipient fails to return a completed grant contract by the stipulated deadline, ADFP Trust Fund will notify the selected grant recipient in writing as a warning. The selected grant recipient will be allowed a grace period of 10 working days from the date of correspondence to return the completed contract. After the stipulated grace period the offer will be rescinded and the grant funding reallocated. *(Approved 12-09-08)*

Grant Recipient Eligibility: Recipients must be either a North Carolina county entity or a non-profit conservation organization. Any non-profit conservation organization whose headquarters are outside North Carolina must maintain an office in North Carolina and be registered with the North Carolina Secretary of State's office. *(Approved 12-09-08)*

Contract Extensions: Extensions requests and all required documentation must be received by ADFP Trust Fund a minimum of 60 days prior to contract termination date. *(Approved 12-09-08)*

Subcontracting: The Grantee shall not subcontract any of the work contemplated under ADFP Trust Fund Contract without prior written approval. Any approved subcontract shall be subject to all conditions of the ADFP Trust Fund Contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the contract. The ADFP Trust Fund shall not be obligated to pay for any work performed by any unapproved subcontractor or subgrantee. The Grantee shall be responsible for the performance of all of its subgrantees and shall not be relieved of any of the duties and responsibilities stipulated in the ADFP Trust Fund Contract. *(Approved 12-09-08)*

General Information on Direct and Indirect Costs

Direct Costs: Costs that can be specifically identified with a particular project or program. *(Approved 12-09-08)*

Indirect Costs: Costs that are incurred by a grantee organization for common or joint objectives and which therefore cannot be identified specifically with a particular project or program. *(Approved 12-09-08)*

NOTE: Please also refer to the NC ADFP Trust Fund [Application Guidelines](#) and other instructional documents located on the ADFP webpage for additional guidance. Please see [General Information on Direct and Indirect Costs](#) for definitions and [Application Guidelines](#) for more costs information.