



FmHA AN No. 1635 (1951)

July 30, 1987

Subject: Administrative Offset Reporting
Requirements

To: Assistant Administrator, Finance Office,
State Directors, State Directors-at-Large,
District Directors, and County Supervisors, FmHA

Purpose/Intended Outcome:

This administrative notice (AN) is issued to provide additional guidance for reporting all farmer program borrowers referred for or collections made by administrative offset.

Comparison With Previous AN:

There is no previous AN on this subject.

Implementation Responsibilities:

FmHA Instruction 1951-C, Offsets of Federal Payments to FmHA Borrowers, section 1951.105(e)(5), requires semiannual reporting of administrative offsets by the County Supervisor. The present report detail, distribution, and frequency do not meet Agency credit management reporting requirements. FmHA Instruction 1951-C will be revised as soon as possible to include new reporting requirements. In the interim, the following reporting requirements must be implemented immediately.

A. Normal Quarterly Reporting Requirements

After the County Supervisor has determined the appropriateness of administrative offset and notified the borrower, FmHA Form Letter 1951-3 is prepared. This letter includes unpaid interest and unpaid principal amounts and is sent to the appropriate Federal agency to request an offset of funds. The unpaid interest and unpaid principal amounts required in the form letter should be obtained from the most recent Report Code 540, Status Report of Farmer Program Accounts. FmHA Form Letter 1951-3 will be filed in operational file 1951-Offsets.

EXPIRATION DATE: July 31, 1988

FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1951-C



The County Supervisor will record, by fund code and loan number, all farmer program borrowers referred for and/or collected through administrative offset on Exhibit B, Detail Report of Administrative Offsets. See Attachment 1. The unpaid interest and unpaid principal amounts referred for offset should be reported only one time when first referred and obtained from FmHA Form Letter 1951-3. Exhibit B will be filed in operational file 1951-Offsets.

At the close of each quarter, the County Supervisor will consolidate the information reported on Exhibit B onto Exhibit C, Consolidated Report of Administrative Offset for Quarter Ending _____, by fund code. The consolidated county report will be forwarded to the State Administrative Officer within 5 calendar days after the end of each quarter (e.g., October 5, January 5, April 5, and July 5). See Attachment 2. If there is no activity for the quarter, a negative report is required.

Using Exhibit C, the State Administrative Officer will consolidate the reports received from the County Offices, by fund code. The consolidated state report will be forwarded to the Finance Office, mail code FC-360A, within 10 calendar days after the end of each quarter (e.g., October 10, January 10, April 10, and July 10). If there is no activity for the quarter, a negative report is required.

B. One-Time Reporting Requirements for Fiscal Year 1987 Activity

Quarterly reports have not been prepared since inception of the administrative offset program on November 26, 1986. Therefore, a cumulative report for all fiscal year 1987 activity must be prepared as follows.

The County Supervisor will record all administrative offset activity from November 26, 1986, through September 30, 1987, on Exhibit B using information available in operational file 1951-Offsets. The unpaid interest and unpaid principal amounts referred should be obtained from the FmHA Form Letter 1951-3 used to request administrative offset from other Federal agencies.

As of September 30, 1987, the County Supervisor will prepare Exhibit C, by fund code, summarizing all administrative offset referrals and collections during fiscal year 1987, and forward this information to the State Administrative Officer no later than October 5, 1987. If there is no activity for the year, a negative report is required.

Using Exhibit C, the State Administrative Officer will summarize the reports received from the County Offices, by fund code, and forward the report to the Finance Office, mail code FC-360A, by October 10, 1987. If there is no activity for the year, a negative report is required.

Beginning with the report for quarter ending December 31, 1987, reports will be prepared quarterly and submitted as required in paragraph A above.

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If you have any questions on preparation of Exhibits B or C, please contact
Cletus Gross, Finance Office, Financial and Management Reports Section, at
FTS 279-4426 or commercial (314) 425-4426.

A handwritten signature in black ink, appearing to read "Vance L. Clark", with a long horizontal flourish extending to the right.

VANCE L. CLARK
Administrator

2 Attachments

Instructions on Completion of Exhibit B

1. Fund Code and Loan Number - borrower's fund code and loan number for each loan referred for administrative offset.
2. Name - borrower's name.
3. Case Number - list state, county, and borrower identification number.
4. Amount Referred - the amount of the unpaid interest and unpaid principal should be reported only one time when first referred and obtained from the FmHA Form Letter 1951-3.
5. Date Referred/Collected - the date borrower was referred or the date the offset was collected.
6. Amount Collected - amount of the collection from Agricultural Stabilization and Conservation Service (ASCS) or other organization. This is the total amount applied to each loan account referred for offset; i.e., if an offset collection is received for a borrower who has five referred loans and the offset collection is applied to all five loans then this would be reported as five separate collections.
7. Date Collection Sent to Finance Office - the date the collection was sent to the Finance Office.
8. Type of Program Offset - the ASCS or other agency program the offset was collected from (i.e., Dairy Termination Program, annual rental payments of the Conservation Reserve Program, etc.).

(See pages 3 and 4 for samples)

Detail Report of Administrative Offsets

County ASHLEY 03-02

Fund Code & Loan Number	Name	Case Number	Referred		Date		Amount Collected		Date Sent To F.O.	Type of Program Offset
			Unpaid Interest	Unpaid Principal	Referred	Collected	ASCS	Other		
43-03	GREEN, BILL	03-02-0121212121	314.41	29,274.58	07-17-87	---	---	---	---	---
41-01	JONES, ROBERT	03-02-0333333333	347.81	9,728.06	07-27-87	---	---	---	---	---
45-02	JONES, ROBERT	03-02-0333333333	173.04	4,839.82	07-27-87	---	---	---	---	---
43-03	GREEN, BILL	03-02-0121212121	---	---	---	07-31-87	410.00	---	07-31-87	CONSERVATION RESERVE RENTAL PAYMENTS
41-01	JONES, ROBERT	03-02-0333333333	---	---	---	08-03-87	140.00	---	08-03-87	DAIRY TERMINATION
45-02	JONES, ROBERT	03-02-0333333333	---	---	---	08-03-87	160.00	---	08-03-87	DAIRY TERMINATION

SAMPLE

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Detail Report of Administrative Offsets

County CHICOT 03-09

Fund Code & Loan Number	Name	Case Number	Referred		Date		Amount Collected		Date Sent To F.O.	Type of Program Offset
			Unpaid Interest	Unpaid Principal	Referred	Collected	ASCS	Other		
44-01	DOE, JOHN	03-09-022222222	303.33	15,816.24	02-11-87					
43-17	SMITH, BOB	03-09-0123456789	1,568.91	27,191.45	02-20-87					
43-01	BROWN, JANE	03-09-0454545454	66.72	9,551.52	03-01-87					
43-02	BROWN, JANE	03-09-0454545454	2,817.99	17,516.47	03-01-87					
43-17	SMITH, BOB	03-09-0123456789				03-12-87	485.00		03-12-87	DAIRY TERMINATION

SAMPLE

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Instructions on Completion of Exhibit C

1. Fund Code - self explanatory.
2. Number of Loan Accounts Referred - the total number of loan accounts referred for offset under each fund code in the past quarter from Exhibit B.
3. Total Amount Referred - the total consolidated amounts of unpaid interest and unpaid principal by fund code in the past quarter from Exhibit B.
4. Number of Collections - the total number of loan accounts a payment is applied to by fund code in the past quarter from Exhibit B; i.e., if an offset payment is received for a borrower who has five referred loans and the offset payment is applied to all five loans then this would be reported as five collections.
5. Total Amount Collected - the total of all collections by fund code in the past quarter from Exhibit B.
6. Total Number of Borrowers Referred for Offset this Quarter - the total number of borrowers referred to agencies for administrative offset.
7. Total Number of Borrowers with Collections this Quarter - the number of borrowers receiving one or more collections via administrative offset this quarter.

(See pages 3, 4, and 5 for samples)

SAMPLE

FmHA Instruction 1951-C
Exhibit C

Consolidated Report of Administrative Offset for Quarter Ending September 30, 1987

State _____ or .

County 03-02 (State and County code)

Fund Code	Number of Loan Accounts Referred	Total Amount Referred		Number of Collections	Total Amount Collected
		Unpaid Interest	Unpaid Principal		
41	1	347.81	9,728.06	1	140.00
43	1	314.41	29,274.58	1	410.00
45	1	173.04	4,839.82	1	160.00

Total Number of Borrowers Referred for Offset this Quarter 2

Total Number of Borrowers with Collections this Quarter 2

Report prepared by: Ron Green

Telephone number: (501) 853-8241

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FmHA Instruction 1951-C
Exhibit C

Consolidated Report of Administrative Offset for Quarter Ending September 30, 1987
State _____ or _____

County 03-09 (State and County code)

Fund Code	Number of Loan Accounts Referred	Total Amount Referred		Number of Collections	Total Amount Collected
		Unpaid Interest	Unpaid Principal		
43	3	4,453.62	54,259.44	1	485.00
44	1	303.33	15,816.24		

Total Number of Borrowers Referred for Offset this Quarter 3

Total Number of Borrowers with Collections this Quarter 1

Report prepared by: Bill White

Telephone number: (501) 265-5313

FmHA Instruction 1951-C
Exhibit CConsolidated Report of Administrative Offset for Quarter Ending September 30, 1987State 03 or

County _____ (State and County code)

Fund Code	Number of Loan Accounts Referred	Total Amount Referred		Number of Collections	Total Amount Collected
		Unpaid Interest	Unpaid Principal		
41	1	347.81	9,728.06	1	140.00
43	4	4,768.03	83,534.02	1	895.00
44	1	303.33	15,816.24	-----	-----
45	1	173.04	4,839.82	1	160.00

Total Number of Borrowers Referred for Offset this Quarter 5Total Number of Borrowers with Collections this Quarter 3Report prepared by: John SmithTelephone number: (501) 222-0303

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Attachment 2

COUNTY OFFICE LOCATION _____

COUNTY OFFICE CODE _____

Number of FmHA Form Letters 1951-1 sent between November 26, 1986,
and the present _____.

Number of FmHA Form Letters 1951-2 sent between November 26, 1986,
and the present _____.

Prepared by _____

Phone () _____ - _____