

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice CM-758**

**For:** State and County Offices

**Assignment of Designated Payment Entity (DPE) in Business Partner/SSN Family**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

MIDAS Release 2.0 Business Partner introduced SSN Family functionality, which enabled two or more customer records to share, or be affiliated with, a single SSN. The following notices discuss SSN Family and training for the new functionality:

- MIDAS-25, "MIDAS Release 2.0 Business Partner Web-Based Training"
- MIDAS-30, "MIDAS Release 2.0 Business Partner Functionality"
- MIDAS-31, "Temporary Workarounds for Business Partner (BP)"
- MIDAS-32, "Successful Deployment of MIDAS Release 2.0 Business Partner".

As discussed in these notices and applicable training documents, the DPE is a flag in SSN Family that designates which entity (Individual, Revocable Trust, or LLC) will receive payment. According to 1-CM paragraphs 178.6 and 178.8, customers may not receive monetary benefits from FSA as multiple business types (Individual, Revocable Trust, or LLC) using their SSN.

**B Purpose**

This notice informs National, State and County Offices that:

- DPE shall not be reassigned to a different entity within Business Partner/SSN Family until further notice
- users must keep the DPE assigned to the same entity that held the SSN in SCIMS and previously received payment for 2014 or prior years
- the current 1-CM policy has not changed; only one business type (role) may be paid using the customer's SSN.

| Disposal Date             | Distribution   |
|---------------------------|--|
| August 1, 2015<br>2-18-15 | State Offices; State Offices relay to County Offices |

## **1 Overview (Continued)**

### **B Purpose (Continued)**

**Notes:** The purpose of SSN Family is not to allow multiple business types or entities to concurrently receive payments, but rather to allow a more streamlined transition when and if the producer elects to receive payment as a different business type.

In SCIMS, merges and complicated record modifications were required to accommodate the customer's request. SSN Family was designed as the first step to streamline this process; however Financial Services and Legacy Payment systems require additional modification before this functionality can be successfully utilized.

## **2 Use of the Core Customer ID (CCID) and SSN for Producer Payment**

### **A CCID Assignment and Usage**

CCID is the assignment of a unique record number to a customer record. When a customer is created in SCIMS a unique CCID is assigned. Likewise, when a customer is created in Business Partner, a unique CCID is assigned. The CCID and all other customer data is replicated back to SCIMS when a record is created or modified in Business Partner.

The CCID is used to issue program and loan payments. Payments are issued to the customer that belongs to the CCID that holds the SSN (or other TIN) in SCIMS.

When the SSN is moved from one CCID to another, via reassignment of DPE, pending overpayments are being computed on the CCID that previously held the SSN and received payment. Financial Services and Legacy Payment software will be modified to correct this issue, and utilize the flexibility of SSN Family.

### **B Assignment of SSN in SCIMS**

According to 1-CM, the only business roles that are permitted to use an SSN to receive payment are:

- Individuals
- Revocable Trusts
- LLC.

## Notice CM-758

### 2 Use of the Core Customer ID (CCID) and SSN for Producer Payment (Continued)

#### B Assignment of SSN in SCIMS (Continued)

Before MIDAS Release 2.0 Business Partner, SCIMS allowed only one record to store the SSN. Users encountered one of the two scenarios if the producer requested to be paid under a different business role using his SSN:

| SCIMS Scenario | IF...   | THEN...   | THEREFORE...  |
|----------------|---|---|---|
| 1              | the producer only had one record (Individual, Revocable Trust, or LLC)                              | the County Office modified the record with the new chosen business role   | the payment continued to be issued to the same SSN and CCID as before, no overpayment errors occurred |
| 2              | The producer had two records in SCIMS and one contained his SSN and the other contained "No Tax ID" | The County Office could <b>not</b> move the SSN from one record to the other, but would merge records, keeping the record with SSN as the winning record, then modify the business role of the winning record |   |

With the implementation of Business Partner/SSN Family, both scenarios are no longer possible because:

- in scenario 1, the business role cannot be modified for Individual records; creation of a new record will be required

**Note:** Creation of a new Revocable Trust or LLC record using an SSN, without an existing Individual record, will trigger the user to create the Individual anchor record first. There will always be 2 records.

- in scenario 2, Business Partner will not allow the merge, without resulting in an orphaned record.

**Notes:** Merges cannot be completed between Individual and non-Individual (business) records. The workaround options used in SCIMS cannot and shall not be used in Business Partner.

County Offices must leave the DPE on the entity that previously received payment from FSA.

## Notice CM-758

### 2 Use of the Core Customer ID (CCID) and SSN for Producer Payment (Continued)

#### C Implications and IRS reporting

The IRS-1099 will contain the name of the producer with the SSN, because that is the ID that is being paid. Regardless if the producer is paid as the Individual, Revocable Trust, or LLC, if he is paid through the SSN he will be reporting to the IRS as an Individual.

### 3 Action

#### A State and County Office Action

State and County Offices shall:

- ensure the DPE is set (checked) for the same entity (business role) that:
  - held the SSN in SCIMS prior to MIDAS Release 2
  - received payment in 2014 or prior years
- refrain from reassigning the DPE within an SSN Family

**Note:** COFs may *temporarily* switch the DPE between records within an SSN Family as necessary to process credit reports for FLP. However, the DPE must be set back to the appropriate record and saved within the same day in order to prevent overpayment issues. For any other FLP issues related directly to selection of the DPE flag, please contact your State FLP Specialist.

- continue to create SSN Families, as necessary.