

For: State and County Offices

Handling Discrepancies for CMA, LSA, and DMA Customers

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1 Overview

A Background

The Agricultural Act of 2014 (2014 Farm Bill) provides:

- that direct attribution and payment limitation provisions are applicable for:
 - marketing loan gains (MLG's) resulting from repayment of MAL's
 - LDP's
- the \$125,000 payment limitation is shared with payments earned through the Agriculture Risk Coverage Price Loss Coverage (ARCPLC) Program.

Software was released on October 17, 2014, which provided County Office users with the ability to record MLG and LDP transaction data. Since MLG's and LDP's are currently only applicable for upland cotton, a user guide was distributed to applicable State Offices on the use of this software.

When MLG or LDP occurs, County Office users record the amount in the system so eligibility requirements can be checked and payment limitation controlled. County Office users have been recording transactions as they occur; however, similar activity has not yet been captured in the system for activity managed by CMA's and LSA's.

B Purpose

This notice:

- notifies State and County Offices that a new process is being released allowing CMA's, LSA's, and DMA's, as applicable, to electronically transmit MLG and LDP data
- advises State and County Offices that a customer verification process must be completed before electronic MLG and LDP data can be accepted by FSA
- provides guidance for reconciling customer discrepancies between FSA and the applicable CMA, LSA, or DMA.

Disposal Date	Distribution
January 1, 2016 3-27-15	State Offices; State Offices relay to County Offices

2 Interim MLG and LDP Process for CMA's, LSA's, and DMA's

A Introduction

On October 17, 2014, the following software options were released that allowed County Office users to record MLG and LDP transactions:

- Interim Market Gain Attribution
- Interim Loan Deficiency Payment Attribution.

Since MLG's and LDP's are currently only applicable for upland cotton, a user guide was distributed to applicable State Offices on the use of this software. County Offices have been recording MLG and LDP data for transactions processed by FSA; however, activity managed by CMA's and LSA's has not been recorded.

On March 25, 2015, software was released that allows CMA's and LSA's to electronically submit MLG and LDP data to FSA, which will then be imported into the direct attribution process.

B Purpose of the Electronic Import Process

After the interim MLG and LDP process was developed, concerns were expressed about the workload that would be required by FSA to obtain and record MLG and LDP transactions processed by CMA's, LSA's, and DMA's. Several options were explored including the following:

- CMA, LSA, or DMA provides a list of customers with MLG/LDP amounts to be data loaded by County Office users in the producer's recording county
- form "jump teams" where CMA, LSA, and DMA data would be submitted to a centralized location to be data loaded
- provide an electronic process for CMA's, LSA's, and DMA's to transmit MLG and LDP data electronically to FSA to be imported directly into the system on a scheduled basis.

Because of workload concerns in FSA offices and after consulting with representatives for CMA's, LSA's, and DMA's, agreement was reached that the process to electronically transmit data to FSA was the most practical because it alleviates the workload on County Offices to data load.

Through this process, data transmitted to FSA by CMA's, LSA's, and DMA's will be processed in a similar manner as if it was recorded through the interim MLG and LDP process available to County Office users. The only difference is that the data is received in a file and processed, rather than entered through the user interface used by County Office users.

2 Interim MLG and LDP Process for CMA's, LSA's, and DMA's (Continued)

C Prerequisites for Submitting Electronic Data to FSA

Before MLG or LDP data can be imported into the direct attribution system, the CMA, LSA, or DMA customer must be verified as a match to FSA customer data. This phase is critical because amounts could be attributed to a customer improperly, which could then adversely affect that customer's ability to receive ARC/PLC payments.

Note: Even though upland cotton is the only commodity currently eligible for MLG or LDP, all CMA's, LSA's, and DMA's are involved in this process so they are prepared in the event MLG or LDP becomes available for other commodities.

The current ADP process described in 1-CMA includes a match on the tax ID number, but not on the name. To ensure that payment eligibility and payment limitation is attributed accurately for each customer, a name verification process must occur.

Note: This process is similar to the process currently underway to verify tax ID numbers against IRS data.

CMA's, LSA's, and DMA's have been provided instructions for submitting customer information to the National Office for verification. After the customer information has been verified as matching FSA records, the following information will be sent to the applicable CMA, LSA, or DMA so it can be included in an electronic file for importing MLG and LDP data:

- common customer name from Business Partner
- core customer ID
- recording State and County Office.

The customer verification process will be managed exclusively by the National Office, except when discrepancies are identified. See subparagraph D.

Notice CM-761

2 Interim MLG and LDP Process for CMA's, LSA's, and DMA's (Continued)

D Handling Customer Discrepancies

Depending on the nature of the discrepancy, the customer data will either be returned to the applicable CMA, LSA, or DMA or to the FSA recording county associated with the customer.

The National Office will distribute the customer discrepancy information according to the following table.

Note: Representatives from CMA's, LSA's, and DMA's have already been advised of this process and are prepared to contract customers as needed for resolution.

Send Back to Applicable CMA, LSA, or DMA	Send to FSA Recording County
The 9-digit ID number provided by CMA, LSA, or DMA does not match any record in FSA's Business Partner or SCIMS application.	This list includes the customers where the name provided by CMA, LSA, or DMA can be matched on the tax ID number, but not on the name. These customers primarily involve the following situations: <ul style="list-style-type: none">• first name matches, but last name does not match implying name change because of marital status• customer is doing business with 1 organization as an individual, but the other as a revocable trust or LLC using their Social Security number• name simply does not match FSA records.
Customer has a business type in FSA's Business Partner application and is not eligible under direct attribution provisions, such as "other" or "general entity member".	
Customer is not associated with any County Office. To attribute MLG's and LDP's, the customer must be linked to at least 1 County Office.	

The National Office will distribute the list of discrepancies back to the applicable CMA, LSA, or DMA or to the State Office associated with the customer for those records that must be reconciled. The list will be distributed by e-mail on an as-needed basis.

State and County Offices should take immediate steps to contact customers on their discrepancy list to determine the proper resolution.

3 Monitoring Transactions Recorded Through the Import Process

A Introduction

CMA's, LSA's, and DMA's will be provided with 2 reports on a nightly basis.

- **Attribution Report.** List of all verified customers for the applicable CMA, LSA, or DMA and the total amount that has been attributed for payment limitation purposes to that customer. This report does not list the available payment limitation for the customer.

Example: Producer John Doe has received MLG's and/or LDP's through both FSA and CMA. The amount listed on this report will be the accumulated amount for all transactions.

- **Nonpayment Report.** This report is similar to the Nonpayment Report available to County Office users through the Common Payment Reports System. If MLG or LDP cannot be attributed because of eligibility or because the producer has reached payment limitation, the producer will be listed on this report.

B Reconciling Activity Generated Through the Import Process

Generally, State and County Offices are not required to monitor any of the CMA, LSA, or DMA activity generated through the import process. However, there may be occasions when questions are raised by CMA, LSA, or DMA as to why an amount cannot be processed.

When questions arise, County Offices shall use the reports available through the Common Payment Reports System to identify amounts attributed to customers and reasons that amounts cannot be attributed.

Reminder: 9-CM:

- provides a description of the reports available through the Common Payment Reports System
- includes reasons for nonpayment conditions along with the corrective action if the nonpayment condition is not valid.

4 Action

A State Office Action

State Offices shall:

- immediately forward discrepancy lists received according to subparagraph 2 D to applicable County Offices
- provide oversight to ensure that County Offices contact customers to resolve the discrepancies as soon as possible
- contact the applicable National Office specialist if assistance is needed in resolving customer discrepancies.

B County Office Action

County Offices shall:

- immediately contact customers to resolve discrepancies according to subparagraph 2 D
- update FSA records to properly reflect how the customer is conducting business
- advise customers to contact their CMA, LSA, or DMA to update those records if FSA records are correct
- be responsive to questions raised by CMA's, LSA's, and DMA's, as needed, to resolve nonpayment conditions or to advise CMA, LSA, or DMA of the reason the nonpayment condition cannot be resolved.

Reminder: CMA's, LSA's, and DMA's are partners with FSA in providing loan and LDP services to producers. It is imperative that County Offices respond timely when questions are raised about eligibility or customer verification to ensure that their business transactions are not unnecessarily delayed.