

For: State and County Offices

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

Approved by: Acting 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 discussed 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”
- CM-758: “Assignment of Designated Payment Entity (DPE) in Business Partner/SSN Family”.

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 2015 or prior years
- the current 1-CM policy has not changed; only one business type (role) may be paid using the customer’s SSN
- a temporary workaround has been developed for customers who want to receive payment under a different name than has been paid in 2014 or prior years.

<b>Disposal Date</b>	<b>Distribution</b>
September 1, 2016 12-17-15	State Offices; State Offices relay to County Offices

**2 Using the Core Customer ID (CCID) and SSN for Producer Payment**

**A CCID**

CCID is the assignment of a unique record number to a customer record. When a customer was created in SCIMS, a unique CCID was 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.

**B Assigning SSN in SCIMS**

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

- individuals
- revocable trusts
- LLC's.

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

<b>SCIMS Scenario</b>	<b>IF the producer....</b>	<b>THEN...</b>	<b>THEREFORE...</b>
1	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	had two records in SCIMS and one contained 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	

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

### B Assigning SSN in SCIMS (Continued)

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 is required.

**Note:** Creating a new revocable trust or LLC record using 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.

**Note:** 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 (BP record) that previously received payment from FSA.

### C Farm Records

Farm records will contain the name of the producer who is on the deed; therefore, program contracts and program payments may not contain the name of the producer who is assigned the DPE flag. Payments cannot be issued to a customer who does not have TIN.

To resolve this the customer who is assigned the DPE flag must also be associated with the farm. If the customer who is assigned the DPE flag is not on the deed then assign the customer as an OT in farm records.

## 3 Temporary Workaround

### A Overview

To ensure that the correct name receives the payment, a workaround can be used for situations where a customer in an SSN family has changed how they do business with FSA for 2014 and future years.

### B Name Change

As a temporary workaround to the DPE issue, County Offices should modify all names of the customer that contains the DPE flag to include the name from the secondary record. The record will still contain the original name but will also contain the name of the producer who is now doing business with FSA.

3 Temporary Workaround (Continued)

B Name Change (Continued)

**Example:** John Smith, Individual, has been doing business with FSA since 2008. John Smith, Individual, has received payments since 2008. In 2014, John Smith notified FSA that he is now doing business as Smith Revocable Trust using his SSN. The DPE must remain on John Smith, Individual, to prevent overpayments of 2008 through 2013 payments. The temporary solution is to modify the name on the John Smith, Individual, record to include Smith Revocable Trust.

**Note:** All payment reports for prior years will now show the modified name rather than John Smith.

**Note:** The business type (role) may not be correct based on the customer name; however, this will not impact farm records or program contracts. Payment processing will make eligibility determinations correctly because all members of an SSN family should have the same eligibility determinations even if the system does not currently validate this. If the actual COC determination differs between the customers in a SSN family, contact James Baxa, PECD for further instructions.

The following table provides information on how both the “Common Name”, “First Name” and “Business Name” fields shall be updated using this temporary workaround.

Scenario	BP record with DPE Flag	Updated Name
1: Individual who is also a revocable trust	Common Name: John Smith Last Name: Smith First Name: John	Common Name: John Smith – <b>Smith Revocable Trust</b> Last Name: Smith First Name: John – <b>Smith Revocable Trust</b>
2: Individual who is also an LLC	Common Name: John Smith Last Name: Smith First Name: John	Common Name: John Smith – <b>Smith LLC</b> Last Name: Smith First Name: John – <b>Smith LLC</b>
3: Revocable trust who is also an individual	Common Name: Smith Revocable Trust Business Name: Smith Revocable Trust	Common Name: Smith Revocable Trust – <b>John Smith</b> Business Name: Smith Revocable Trust – <b>John Smith</b>
4: Revocable trust who is also an LLC	Common Name: Smith Revocable Trust Business Name: Smith Revocable Trust	No name change workaround necessary. In BP, edit current year Role from Revocable Trust to LLC.
5: LLC who is also an individual	Common Name: Smith LLC Business Name: Smith LLC	Common Name: Smith LLC – <b>John Smith</b> Business Name: Smith LLC – <b>John Smith</b>
6: LLC who is also a revocable trust	Common Name: Smith LLC Business Name: Smith LLC	No name change workaround necessary. In BP, edit current year Role from LLC to Revocable Trust.

**Notes:** The name field additions are **bolded** in the above table. Do not **replace** the existing name, but rather add the second name to the end of the “First Name” field, separating the names with a dash (-). It is important for the success of IRS TIN validation, program applications and contracts that the names are edited exactly as outlined above. The last name cannot be modified or the record will fail IRS TIN validation.

The 1099 process can only handle up to 33 characters in a name field. Therefore, if the modified name is longer than 33 characters, the name may be truncated on the customers 1099. To help alleviate this problem, abbreviate to ensure as much of the name is included on the 1099 as possible.

### 3 Temporary Workaround (Continued)

#### D Contracts/Applications

To ensure the customer is paid correctly, the customer that contains the DPE flag and the modified name must be assigned to the contract/application with the payment shares.

If the customer that contains the DPE flag and modified name has signature authority for the original customer then no new signatures are necessary on the contract.

#### E Farm Operating Plans

Farm operating plans should be modified so the customer that contains the DPE flag and modified name are listed as the member of the entity requesting payment.

### 4 Action

#### A State and County Office Action

State and County Offices shall:

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

**Notes:** County Offices may **temporarily** switch the DPE between records within an SSN Family and change the first and last names as necessary to process credit reports for FLP. However, DPE must be set back to the appropriate record and the first and last names changed back to reflect the name according to subparagraph 3 B and saved **within the same day** to prevent overpayment issues.

The Security Agreement in FBP may display several names on the first and last page when the temporary workaround addressed in paragraph 3 is used. Users may strikethrough the inaccurate text in the name and have the producer initial and date next to the correction. State Offices shall consult with the regional OGC to verify State law permits the revision of the Security Agreement. For any other FLP issues related directly to selection of the DPE flag, contact your State FLP specialist.

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### 4 Action (Continued)

#### A State and County Office Action (Continued)

- apply the workaround identified in paragraph 3 (if necessary) for customers that have changed the way they do business with FSA, with regard to use of their SSN

**Important:** Enter a detailed comment in the “Notes” section of the edited BP record to document the name changes that were made, and reference to this notice. County Offices are encouraged to print a BP PDF Fact Sheet with only the “Customer Details” assignment block selected. Save the printed Fact Sheet, which documents the temporary work around, in a folder to be retrieved and corrected when a permanent solution is available.

- continue to create SSN Families, as necessary.