

For: State and County Offices, CMA's, DMA's, and LSA's

**2014 CMA, DMA, and LSA Interim LDP and
Marketing Loan Gain (MLG) Reconciliation Process and Deadline**

Approved by: Deputy Administrator, Farm Programs



1 Payment Limitation and Eligibility Process for 2014 LDP's and MLG's

A Background

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

- that direct attribution and payment limitation provisions are applicable for:
 - LDP's
 - MLG's resulting from MAL repayments
- that the \$125,000 payment limitation is shared with payments earned through the Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC) Program for all commodities **except** peanuts. Peanuts have a separate \$125,000 payment limitation for MLG, PLC, and ARC payments.

To monitor direct attribution and payment limitation provisions, FSA provided an Interim LDP and MLG attribution process. An import process was created to record all LDP's and MLG's issued by CMA's, DMA's, and LSA's.

B Purpose

This notice informs CMA's, DMA's, and LSA's of the following:

- interim attribution process overview and report options
- 2014 interim attribution LDP and MLG import process weekly requirement and initial reconciliation deadline of **September 15, 2015**.

Disposal Date	Distribution
May 1, 2016	State Offices; State Offices relay to County Offices, CMA's, DMA's, and LSA's

2 2014 Interim LDP and MLG Attribution Process

A Interim LDP and MLG Attribution Process Development and Purpose

The LDP and MLG attribution process is a web-based system for FSA County Offices that records attribution amounts to a payment entity and members, if applicable, that result from LDP's and MLG's on MAL repayments. By creating a method to record the attribution amounts, reports can be provided as needed to control the \$125,000 payment limitation applicable to LDP's and MLG's. Data exists to determine the available payment limitation if ARCPLC payments are triggered.

An import process was developed to accommodate CMA's, DMA's, and LSA's to electronically provide data to incorporate into the interim LDP and MLG attribution process for monitoring payment limitation.

B CMA, DMA, and LSA Process

The Market Gains and LDP's Import Process User Guide (User Guide) was provided by e-mail to all CMA's, DMA's, and LSA's in March 2015 that instructed each entity of the 3-step process required for the 2014 interim LDP and MLG attribution process. The process required the following.

- Customer Verification. All CMA's, DMA's, and LSA's **must** submit files with all customers to verify the customer data matches FSA's customer profile. FSA subsequently transmits the results back to each entity. See User Guide, Part 2 for CMA's, DMA's, and LSA's.
- Import Process. Provides instructions for all entities to prepare transmission files and the format to use in electronically submitting all LDP's and MLG's for each customer. Provisions were also included to modify transmissions. See User Guide, Part 3 for CMA's, DMA's, and LSA's. When LDP's and MLG's have been issued an updated import file should be submitted weekly. CMA's, DMA's, and LSA's that have **not** issued LDP's or MLG's do **not** have to complete import process.
- Reports. Interim process includes report functions to assist all entities in reconciling LDP's, MLG's, denied MLG's, and ineligible LDP's. See User Guide, Part 4 for CMA's, DMA's, and LSA's.

C Data Import Deadline

After the customer is verified, LDP's and MLG's **must** be correctly entered and electronically imported to FSA each week they are issued. All LDP's and MLG's **must** be correctly entered and electronically imported to FSA no later than 14 calendar days after the benefit is issued.

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2 2014 Interim LDP and MLG Attribution Process (Continued)

D Interim LDP and MLG Attribution Process Reports

Reports that are included in this notice, along with instructions provided in User Guide, Part 4 for CMA's, DMA's, and LSA's, shall be followed in the reconciliation process. A Reconciliation Report has been created to assist in the reconciliation that expands the Reduction Report. Following is an overview of the usage and completion of the reports.

- **Customer Verification Report.** This report is the first step in the reconciliation process. The report is used to verify all customers in FSA's database. The following is an example of the report.

Company CCID	Tax ID	Tax ID Type	Company Customer Name	FSA CCID	FSA Common Customer Name	Recording State	Recording County
123456783	XXXXXXXXXX	S	JOHN DOE	11111111	JOHN DOE	05	021

Note: CMA's, DMA's, and LSA's should complete the customer verification process even though no LDP's or MLG's have been issued and there is no attribution amounts to import.

- **Attribution Report.** This report lists the accumulated attribution amount for each customer across all organizations. Use this report to verify that attribution amounts are correct and all amounts issued by users CMA's, DMA's, or LSA's have been attributed and that there is **not** an overpayment. The following is an example of the report.

```
core_customer_identifier,common_customer_name,total_payment_attribution_amount
12345678,JOHN DOE,14948.51
11111111,JANE DOE,1526.65
```

- **Reduction Report.** This report only includes customers with an ineligibility condition. However, any member of the applicable CMA, DMA, or LSA with a reduction will be included and the reduction reason will indicate why LDP or MLG could **not** be attributed. The following is an example of the report.

```
company_ccid,customer_ccid,common_customer_name,reductions
12345789,11111111,JOHN DOE LLC, No Entity File Record
```

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2 2014 Interim LDP and MLG Attribution Process (Continued)

D Interim LDP and MLG Attribution Process Reports (Continued)

- **Reconciliation Report.** This report uses the Reduction Report information, but is expanded to list the producer's State and County Office. This report will furnish the CMA, DMA, or LSA the producer's name and ID, reduction reason code, and the State and county code to which the error is assigned. This report shall be used when working with customers and specific State and County Offices to correct the error, if possible. The following is an example of the report.

Producer CCID	Producer Name	Reduction Reason	State	County
12345678	John James LLC	AGI	48	017

The Attribution Report and Reduction Report should both be used to determine if the correct amount was issued and attributed.

Note: More specific instructions and descriptions of each report are contained in the User Guide, Part 4.

3 Reconciliation of the 2014 Interim LDP and MLG Attribution Process

A Initial Reconciliation of the 2014 Interim LDP and MLG Attribution Process

There will be an initial reconciliation of LDP and MLG's **before** issuance of ARCPLC payments to prevent excess benefits from being issued. A final reconciliation will be required to ensure that producers have received the correct amounts and that excess benefits, if applicable, are refunded. For the initial reconciliation **before** issuance of ARCPLC payments, **all** MLG's, LDP's, denied MLG's, and ineligible LDP's **must** be reconciled and submitted through the import process no later than **September 11, 2015**. CMA's, DMA's, and LSA's shall complete the steps in subparagraph B to complete the reconciliation.

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3 Reconciliation of the 2014 Interim LDP and MLG Attribution Process (Continued)

B Completing the 2014 Initial Reconciliation

CMA's, DMA's, and LSA's shall complete the steps in the following table to complete the initial reconciliation.

Step	Description	Action
1	Customer Verification	Complete the customer verification process. This includes the initial verification and correction of any rejected records through a subsequent transmission. User Guide, Part 2, pages 3 through 5 shall be followed. Review the Customer Verification Report after each verification file submitted according to User Guide, Part 4, Reports, page 8.
2	Import Process	After customer data has been verified, submit LDP and MLG transaction data to FSA to be imported into the interim process to verify eligibility and attribute amounts for payment limitation purposes. Files are processed nightly. This process can be initiated once each day if CMA, DMA, or LSA has issued LDP and MLG transactions. The import process shall be completed weekly. Ensure that records are modified and resubmitted if corrections are needed. User Guide, Part 3, pages 6 and 7 shall be followed.
3	Attribution and Reduction Reports	Monitor the reports generated from the import process. After each import file is submitted, review the Attribution Report according to User Guide, Part 4, Reports, page 9, and the Reduction Report, page 10. The reports can be processed daily based on the previous night's processing.
4	Reconciling Attribution Report	If the Attribution Report reflects an incorrect attributed amount for CMA, DMA, or LSA customer, and the customer is not on the Reduction Report, then further review is needed. After the error is corrected, upload the correction in a new import file.
5	Reconciling Reduction Report	If the Reduction Report reflects a customer with an error code, contact the customer to verify and correct the error if it is a situation that the producer has not filed required forms.
6	Reconciliation Report	If CMA, DMA, or LSA cannot determine the error causing the reduction, or if producer stated that forms have been previously filed, contact the State and county listed on the corresponding Reconciliation Report for the producer. The County Office will be able to review their nonpayment report, common payment reports, and if necessary, subsidiary files to identify the issue.
7	Submitting Import File for Corrections	The original record must be submitted as a "modified" record with \$0 and a new import file must be submitted according to User Guide, Part 4.

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3 Reconciliation of the 2014 Interim LDP and MLG Attribution Process (Continued)

B Completing the 2014 Initial Reconciliation (Continued)

Step	Description	Action
8	Reporting Ineligible Benefits Issued (Ineligible LDP or Denied MLG)	If it is determined that LDP or MLG issued exceeded the producer payment limitation, or if LDP or MLG was issued to an ineligible producer, the producer and amount must be e-mailed to Frankie Coln, PSD, according to subparagraph 5 A using Exhibit 1 by September 18, 2015 .
9	Collecting Ineligible Benefits Issued	If an ineligible benefit was issued, then collect according to paragraph 4.

C Final Reconciliation of the 2014 Interim LDP and MLG Attribution Process

The final reconciliation of the 2014 interim LDP and MLG attribution process **must** be reconciled and submitted through the import process no later than **April 1, 2016**. CMA's, DMA's, and LSA's shall complete the steps in the following table to complete the final reconciliation.

Step	Description	Action
1	Customer Verification, Import Process, and Reports	Complete steps 1 through 3 in subparagraph B.
2	Reconciling Attribution Report	If the Attribution Report reflects incorrect attributed amount for CMA, DMA, or LSA customer, and the customer is not on the Reduction Report, delete the transaction, load correctly, and upload correction in a new import file.
3	Reduction Report	If the Reduction Report reflects a customer with an error code, contact the customer to verify and correct the error if the producer has not filed required forms.
4	Reconciliation Report	If CMA, DMA, or LSA cannot determine the error causing the reduction, or if producer stated that forms have been previously filed, contact the State and county listed on the corresponding reconciliation report for the producer. The County Office will be able to review their nonpayment report, common payment reports, and if necessary, subsidiary files to identify the issue.
5	Submitting Import File for Corrections	Record must be deleted and a new import file must be submitted according to User Guide, Part 4.

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3 Reconciliation of the 2014 Interim LDP and MLG Attribution Process (Continued)

C Final Reconciliation of the 2014 Interim LDP and MLG Attribution Process (Continued)

Step	Description	Action
6	Reporting Ineligible Benefits Issued (Ineligible LDP or Denied MLG)	If it is determined that LDP or MLG issued exceeded the producer payment limitation, or if LDP or MLG was issued to an ineligible producer, the producer and amount must be e-mailed to Frankie Coln, PSD, according to subparagraph 5 A using Exhibit 1. Submit a final report by April 1, 2016 .
7	Collecting Ineligible Benefits Issued	If an ineligible benefit was issued, repayment shall be collected according to paragraph 4.

4 Ineligible LDP Benefits and Denied Market Gain Collections

A Collection of Denied LDP or MLG Benefit

If an ineligible benefit is the result of a producer or a member of an entity being ineligible or exceeding their eligible payment limitation level, **and** the amount owed is \$25 or greater, take the actions according to the following table.

Note: Write off overpayments \$25 or less for LDP or MLG **not** resulting from a violation.

Exception: If the amount owed is for an open loan, collect the amount owed on the next repayment.

IF the original payment was disbursed by a...	AND the ineligible producer is...	THEN contact the administrative County Office to...
CMA	<ul style="list-style-type: none"> • a member of CMA • individual shareholder or partner of an entity that is a member of CMA 	send a notification letter to CMA.
DMA or LSA	<ul style="list-style-type: none"> • entity • individual • member of a an entity 	<ul style="list-style-type: none"> • establish a receivable according to User Guide, Parts 4 and 5 • notify producer of the amount of overpayment and provisions of offset based on the information provided using Exhibit 1.

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5 Contacts

A Contacts

CMA's, DMA's, and LSA's shall direct **policy** questions according to the following table.

IF the policy question is about...	THEN contact...
cotton CMA's and LSA's	Frankie Coln by either of the following: <ul style="list-style-type: none"> • e-mail to frankie.coln@wdc.usda.gov • telephone at 202-720-9011.
cotton LDP's or MAL's	Kelly Hereth by either of the following: <ul style="list-style-type: none"> • e-mail to kelly.hereth@wdc.usda.gov • telephone at 202-720-0448.
peanut DMA's	Kathy Sayers by either of the following: <ul style="list-style-type: none"> • e-mail to kathy.sayers@wdc.usda.gov • telephone at 202-834-5879.

B LDP and MLG Interim Process Contacts

State Offices shall direct LDP and MLG interim process **automation** questions according to the following table.

IF the automation question is about...	THEN contact...
entering data into the LDP and MLG interim reporting process	PECD, if the problem cannot be resolved by following the User Guide.
errors in any of the LDP or MLG reports listed in subparagraph 3 A	Tracey Smith by either of the following: <ul style="list-style-type: none"> • e-mail to tracey.smith@wdc.usda.gov • telephone at 202-720-4365.

CMA, DMA, and LSA Report of LDP and MLG Overpayments

REPRODUCE FORM FROM NOTICE.

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency

**CMA, DMA and LSA REPORT and
MLG OVERPAYMENTS**

1. Name of Alternative Delivery Partner

2. Type of Alternative Delivery Partner

CMA DMA LSA

3. Program Year

NOTE: If it is determined that LDP or MLG issued exceeded the producer payment limitation, or if LDP or MLG was issued to an ineligible producer, the producer and amount must be reported to PSD according to Notice CMA-137.

A. Customer Name (Producer)	B. Date of Transaction	C. Type of Payment (LDP or MLG)	D. Amount of Transaction	E. Amount of Overpayment	F. Reason for Overpayment
			\$	\$	
			\$	\$	
			\$	\$	
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