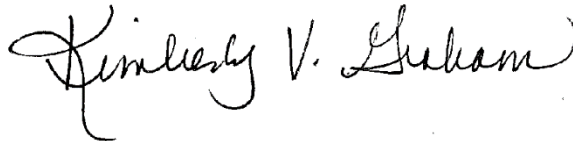


For: State and County Offices, Cotton Clerks, CMA's and LSA's

Cotton Ginning Cost-Share (CGCS) Program for 2015 Cotton Crop

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The CGCS program:

- provides cost share assistance payments to cotton producers with a share in the 2015 cotton crop
- was established on June 6, 2016, under the statutory authority of the Commodity Credit Corporation (CCC) Charter Act and under the administration of FSA.

CCC is announcing the availability of cost-share funds to cotton producers of the United States, with respect to cotton ginning expenses for the 2015 cotton crop. The cost-share payment is a one-time payment to eligible individuals and legal entities who had a risk in producing upland and/or extra-long staple (ELS) cotton in crop year 2015. This program is also open to landowners who had a risk in producing the 2015 cotton crop.

B Purpose

Effective **June 20, 2016, through August 5, 2016**, FSA will accept CCC-882, CGCS Program Application, payment requests from individuals and legal entities who had a risk in producing upland and/or ELS cotton in crop year 2015 for CGCS program payments.

Note: CCC-882's received by FSA **after** August 5, 2016, will **not** be considered for payment. For the purpose of this notice, upland and ELS will be synonymously referred to as "**cotton**".

Disposal Date	Distribution
April 1, 2017	State Offices and County Offices; State Offices relay to Cotton Clerks, CMA's, and LSA's

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1 Overview (Continued)

B Purpose (Continued)

This notice provides cotton producing State and County Offices with:

- general policies and provisions of CGCS
- eligibility requirements for CGCS
- notifying producers of the CGCS signup period
- accepting CCC-882's with pre-filled data
- producer actions for completing CCC-882
- policy on reviewing and approving CCC-882's
- processing CCC-882's for payment
- payment and overpayment procedure.

2 CGCS Program Policies

A CGCS General Program Policies and Provisions

The CGCS program payment is:

- a one-time payment based upon 40 percent of the calculated 2015 cotton crop costs for ginning, on a per acre basis, in the region where the 2015 cotton crop was planted
- is limited to individuals and legal entities who had a risk in the planted upland and/or ELS cotton crop in 2015 as recorded on FSA-578's or Federal Crop Insurance crop reports.

The payment is calculated based upon the number of cotton acres grown, times the producer's share interest in the cotton acres, times the applicable production region cotton ginning cost-share rate (see subparagraph B). If determined acreage on a crop report is available, the determined acres will be used in the calculation.

CGCS payments are subject to offset, including Treasury Offset Program Services (TOPS), and may be assigned provided a CCC-36 is submitted by the applicant before payment is made. County Office shall follow 63-FI to process assignments (see subparagraph 8 E). CGCS payments are **not** subject to sequestration.

The following are ineligible to participate in CGCS:

- foreign persons
- Federal, State, and local governments, including public schools
- producers who did not have an interest in the 2015 cotton crop.

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2 CGCS Program Policies (Continued)

B CGCS Signup Period

The signup period for CGCS Program payment is from **June 20, 2016, to August 5, 2016**. Each individual or legal entity with a share in the 2015 cotton crop must submit CCC-882 to their FSA County Office to request a CGCS program payment.

County Offices are **not** authorized to establish a CGCS signup register.

C CGCS Production Region Rates

The regional cost share rates are based upon 4 production regions, consistent with the U.S. cotton industry’s long-standing designation and conforms to USDA’S previous definitions for production regions. The production regions and per-acre regional cotton ginning costs are provided in the following table.

Cotton Production Regions			
Region	States	Costs of Ginning/Acre	40 Percent of Regional Rate
Southeast	Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia	\$118.60	\$47.44
Mid-South	Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, Tennessee	\$140.65	\$56.26
Southwest	Kansas, Oklahoma, Texas	\$92.43	\$36.97
West	Arizona, California, New Mexico	\$243.53	\$97.41

The following example demonstrates how the CGCS payment would be calculated for a producer with cotton interests in more than 1 production region.

Example: Producer reports 100 percent shares of 500 acres of upland cotton in Texas, and 100 acres of upland cotton in Louisiana with a 50 percent share in the crop. The calculated payment would be as follows:

2015 COTTON ACRES	SHARE OF CROP	PRODUCTION REGION	PRODUCTION REGION RATE	ESTIMATED PAYMENT
500	100%	Texas	\$36.97	\$18,485
100	50%	Louisiana	\$56.26	\$ 2,813
Total Estimated CGCS Program Payment				\$21,298

2 CGCS Program Policies (Continued)

D Payment Limits, AGI, and Other Compliance Provisions

The same payment limit and AGI provisions that applied to the Cotton Transition Assistance Program (CTAP) will also apply to CGCS for a person or a legal entity as follows:

- CGCS payment is limited to \$40,000 separate from other program payment limits
- average AGI for the 2015 crop year must **not** be in excess of \$900,000.

Other compliance provisions applicable to applicants requesting a CGCS program payment include:

- fraud, including FCIC fraud compliance
- HELC/WC compliance
- controlled substance
- actively engaged according to 5-PL.

Non-compliance in 1 or more of the areas will result in a reduced payment.

3 CGCS Program Notification

A Program Notification

Individuals and legal entities recorded as having an interest in the 2015 cotton crop will receive a letter from the National Office informing them of the signup period, and it will also include a pre-filled CCC-882 CGCS application form. See Exhibit 1 for a copy of the letter.

Every effort should be made to process approved CGCS applications for payment as soon as practicable, and if possible the same day as approval. Producers who have **not** received a CGCS payments by **July 15, 2016**, will receive a reminder post card from the National Office. This includes applications that may have been submitted to the recording County Office for payment, but the payment has not been completed.

4 CGCS Eligibility Requirements

A Eligibility Requirements for CGCS Applicants

To be considered eligible for CGCS, individuals or legal entities must:

- have a share in the 2015 planted cotton crop as reported to either:
 - FSA on a FSA-578
 - their crop insurance agent for FCIC purposes

Note: Follow 2-CP provisions for late-filed acreage reports if an applicant does not have a crop acreage report on file with either FSA or a crop insurance agent. Late filing fees will **not** be waived for CGCS.

- have on file the following forms for the 2015 crop year:
 - AD-1026 according to 6-CP
 - CCC-902 according to 5-PL
 - CCC-941.

Note: 2011, 2012, and 2013 tax years are used to calculate AGI for 2015 CGCS.

B Eligible Cotton Acres

Only 2015 upland and ELS cotton acres planted in the United States are eligible to be considered for a CGCS Program payment. Cotton acreage must have been reported to FSA or for Federal Crop Insurance purposes. Acreage reported as prevented planted or volunteer acreage is **not** eligible for a CGCS Program payment.

If a producer reported 2015 cotton to:

- FSA, use the planted acres recorded on FSA-578
- a crop insurance agent **and** to FSA, use the planted acres reported on FSA-578
- a crop insurance agent, **and** submitted an incomplete acreage report **or** did not submit a crop acreage report to FSA, use the planted acres reported for FCIC purposes.

If CARS acres differ from FCIC recorded data, the County Office is to use CARS data.

FSA County Offices can accept late-filed acreage reports according to 2-CP for CGCS purposes. If sufficient evidence does not exist to substantiate acreage being planted to cotton in crop year 2015, then the acreage is not eligible under CGCS. Late filing fees for FSA acreage reports shall **not** be waived for CGCS purposes.

If a producer reports 2015 cotton acreage was planted in a State not listed in the Cotton Production Region table, then DAFP will determine which production region.

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5 Instructions for Completing and Submitting CCC-882's

A Completing CCC-882's

County Offices will be provided with a CCC-882 Workbook that includes a data base that **must** be used to pre-fill the CCC-882 and calculate the estimated CGCS payment. (See paragraph 7 for instructions on how to use the CCC-882 Workbook, Exhibit 2 for an example of CCC-882, and Exhibit 3 for an example of the CCC-882 Workbook.)

County Offices are to use the CCC-882 Workbook if any one of the following occurs:

- a producer requests to apply for a CGCS payment, but forgot or lost the pre-filled CCC-882 previously mailed by the National Office
- a producer submits a self-completed CCC-882
- the 2015 cotton crop data is added or changed in CARS after June 7, 2016,
- the applicant is using FCIC acreage report data, **and** submitted an incomplete acreage report to FSA or did not submit a crop acreage report to FSA.

County Offices are to follow 2-CP for late-file crop reports and revisions to crop reports. Late-filing fees for crop acreage reports will **not** be waived for CGCS purposes.

If the data listed on the pre-filled CCC-882 is incorrect, the data must be updated in both CARS and the CCC-882 Workbook.

Revisions to the data in CARS **must** be completed the earlier of:

- the application approval date, or
- August 5, 2016.

County Offices are to inform producers that changes to the CARS data may adversely impact other program payments, such as ARC/PLC, or LDP's. Any changes to CARS data to avoid payment limits are **not** authorized.

The recording County Office and the non-recording County Office need to coordinate changes for multi-county producers, and ensure all parties are aware of the changes before making the CGCS payment. Even though the recording County Office is responsible for processing the CGCS payment, it does not mean they are responsible for all changes to the workbook.

5 Instructions for Completing and Submitting CCC-882's (Continued)

B Producer's Actions on CCC-882's

When applying for CGCS, producers are to:

- verify that the cotton acres, shares, and location identified on CCC-882, items 4, 5, 6, 7, 8, and 9, match the crop data recorded on FSA-578's or crop reports for crop insurance
- sign CCC-882 Part C to certify the following:
 - the terms of CGCS, payment eligibility and limitation, and conditions associated with CGCS as stated in the regulations
 - acknowledge and agree that CGCS is subject to changes to the applicable regulation
 - the information is correct as recorded
 - producer's claimed share of CGCS payments corresponds with the producer's share of the cotton acreage reported on the farm's acreage report
 - the CGCS payment is subject to a eligibility requirements and payment limit, and therefore may be reduced
 - acknowledge and agree that CCC-882:
 - must be submitted to FSA by August 5, 2016, to be considered for a CGCS payment, and
 - if the form is submitted after August 5, 2016, CCC-882 will be disapproved for payment.

If CCC-882 is not signed by the producer **and** submitted to FSA, the form will be considered incomplete and will be disapproved for payment.

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5 Instructions for Completing and Submitting CCC-882's (Continued)

C Where to Submit CCC-882's

CCC-882's are to be submitted by **August 5, 2016**, to FSA, either:

- in person to a local FSA County Office, or
- by FAX, e-mail, or mail.

Notes: If the CCC-882 is received in a non-recording County Office, the receiving County Office **must** forward the CCC-882 to the recording County Office listed in Part A to process the CGCS payment. This is to avoid processing duplicate CGCS payments.

Mailed CCC-882's **must** be postmarked by August 5, 2016.

CCC-882's must be signed by the individual or legal entity, or by their authorized agent, to be considered for approval review. If CCC-882 is submitted without a signature, the County Office shall contact the person listed on the form either as the producer or the contact producer, and advise them that CCC-882 is considered incomplete without a signature in Part C - Producer Certification, and must be signed by August 5 to be considered for payment.

6 Instructions for Reviewing and Approving CCC-882's

A Reviewing CCC-882's

County Offices are **not** to delay acting on completed CCC-882's. The County Office is to date stamp the CCC-882, initial and date in Item 16 after verifying all of the following:

- Part D has been completed by the producer and is authorized to sign on behalf of the producer recorded in Part B
- Acres, shares, production region, and estimated payment are correct if either of the following situations occur:
 - CARS data was revised or cotton acreage was late-filed after June 7, 2016
 - data from FCIC acreage report was used, **and** a FSA-578 was **not** filed for 2015 crop data.

If the receiving County Office is responsible for the CARS data, but is not the recording County Office in Part A, they are to forward the CCC-882 after verifying the data listed above and initial and date in Item 16.

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6 Instructions for Reviewing and Approving CCC-882's (Continued)

B Approving CCC-882's

After the CCC-882 has been date stamped and verified by the County Office, the recording County COC or CED shall sign and date in Part D, and follow guidance in this table.

ON the CCC-882 select...	IF the data on the CCC-882 was...
Approved	<p>not changed and the reviewing official has determined both of the following conditions have been met:</p> <ul style="list-style-type: none"> • authorized person signed the CCC-882 in Part D • CCC-882 was received by FSA by August 5, 2016.
	<p>changed and the reviewing official has determined all of the following conditions have been met:</p> <ul style="list-style-type: none"> • the form is complete • the acres and shares are correct • the estimated payment is correct • authorized person signed the CCC-882 in Part D.
Disapproved	<p>any of the following:</p> <ul style="list-style-type: none"> • the acres and shares do not match CARS or FCIC acreage data, as applicable • CCC-882 has not been signed by the producer • CCC-882 was submitted after August 5, 2016.

CED can re-delegate authority to program technicians to approve CCC-882's that do not have any revisions. The reviewing official in paragraph 6 **cannot** be the approving official.

Important Approved CCC-882's are subject to prompt pay interest, therefore, every effort is to be made to complete the payment process as soon as possible for approved CCC-882's. See subparagraph 8.

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7 Instructions for Using CCC-882 and the Payment Workbook

A CCC-882 Workbook Overview

A workbook has been developed in Excel to facilitate loading the CCC-882 and to calculate the payment for the 2015 CGCS program. Users can download the workbook from the DAFP Intranet site at the following location <http://fsaintranet.sc.egov.usda.gov/dafp/>. The workbook will be stored under the heading of “**CGCS Program**”.

The workbook has data preloaded based on 2015 reported Cotton in the CARS Web application as of June 7, 2016.

Note: All FSA County Offices have access to the **CGCS Program** workbook. County Offices that are not the recording County Office shall use the CCC-882 Workbook to create a pre-filled CCC-882 if a producer requests to apply for a CGCS payment. After the producer signs the application, the receiving County Office is to date stamp the CCC-884 and forward it to the recording County Office by fax or scan and email.

The worksheet data pull contains certified acreage values unless determined acre values are present for the following crops and planting status codes.

Crop Name	Crop Code	Primary Planting Status Code	Secondary Planting Status Code
Cotton, Upland	0022	I, D, E, G, H, J, K, M, N, O, P, R	F
Cotton, ELS	0021	I, D, E, G, H, J, K, M, N, O, P, R	F

Important: Since the workbook data was loaded on June 7, 2016, any adjustments made in CARS after that date affecting reported upland or ELS cotton must be adjusted manually in the workbook according to subparagraph 8 E.

The CCC-882 workbook is designed to prepopulate the following values both in the workbook and on CCC-882 after the user enters the CCID:

- producer name and address
- recording county name and address
- reported cotton plantings by tract and physical location
- weighted share percentage (%)
- payment rate
- payment amount.

B Example of the CCC-882 Workbook

See an example of the CCC-882 Workbook in Exhibit 3.

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7 Instructions for Using CCC-882 and the Payment Workbook (Continued)

C Field Descriptions and Actions

Users shall take the following actions on the CCC-882 Worksheet.

Field #	Field Name	Description	Action
1	CCID	The CCID is the unique identifier for each producer. This ID number is used to obtain and link the contact information and the reported history for this spreadsheet.	Enter the CCID according to the instructions in subparagraph 7 G.
2	Producer/Entity Name	The producer name linked to the CCID entered in Field #1.	
3	Producer/Entity Address	The producer address linked to the CCID entered in Field #1.	
4	Contact Person's Name	The contact person's name from the Producer/Entity located in Field #2.	Enter the contact person's name for the Producer/Entity located in Field #2.
5	Contact Person's Tel #	The contact person's phone number from the Producer/Entity located in Field #2.	Enter the contact person's phone number for the contract person located in Field #4.
6	Recording County Name	The recording County linked to the producer/entity from the Subsidiary Web Application.	
7	Recording County Address	The mailing address for the Recording County identified in Field #6.	
8	Recording County Tel #	The telephone number for the Recording County identified in Field #6.	
9	Recording County Fax #	The fax number for the Recording County identified in Field #6.	Enter the fax number for the recording county.
10	Producer Name & Address	The name and address of the producer applying for the CGCS Program. Note: This field is only needed if the producer did not have cotton reported in CARS as of June 7, 2016, or a correction is needed to the producer's name or address.	Enter the name and address of the producer only if the producer did not have cotton reported in CARS as of June 7, 2016.

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7 Instructions for Using CCC-882 and the Payment Workbook (Continued)

C Field Descriptions and Actions (Continued)

Field #	Field Name	Description	Action
11	Recording County Name & Address	The name and address of the Recording County for the producer applying for the CGCS Program. Note: This field is only needed if the producer did not have cotton reported in CARS as of June 7, 2016, or a correction is needed to the producer's name or address.	Enter the name and address of the recording county only if the producer did not have cotton reported in CARS as of June 7, 2016.
12	Farm	The Farm Number with Cotton acres reported according to the table in subparagraph A.	
13	Tract	The Tract Number with Cotton acres reported according to the table in subparagraph A.	
14	State	The physical state location of the Tract.	
15	County	The physical county location of the Tract.	
16	2015 Planted Cotton Acres	The number of 2015 crop year cotton acres reported on the Tract according to the table in subparagraph A. Note: Determined acres will be used if present.	
17	Share	The producer's share of cotton acres as reported in CARS.	
18	Payment Rate	The corresponding payment rate for the region based on the physical state of the tract.	
19	Payment	The calculated payment based on Planted Cotton Acres (16) X Share (17) X Payment Rate (18).	

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7 Instructions for Using CCC-882 and the Payment Workbook (Continued)

C Field Descriptions and Actions (Continued)

Field #	Field Name	Description	Action
County Office Adjustments			
This section will only be used if reported data was updated in CARS after June 7, 2016, or a correction is needed to the producer's name or address.			
20	Farm	The Farm Number with Cotton acres reported according to the table in subparagraph A.	Enter the Farm Number to be adjusted.
21	Tract	The Tract Number with Cotton acres reported according to the table in subparagraph A.	Enter the Tract Number to be adjusted.
22	State	The physical State location of the Tract.	Enter the physical location state code.
23	County	The physical county location of the Tract.	Enter the physical location county code.
24	Planted Cotton Acres	The number of cotton acres reported on the Tract according to the table in subparagraph A. Note: Determined acres will be used if available.	Enter total certified or determined reported acres including failed.
25	Share	The producer's share of cotton acres as reported in CARS for the tract. This value will be a weighted share if more than one producer has interest in cotton on this Tract.	Enter the producer's weighted share for the producer on the tract.
26	Clear	Will remove all data displayed on the workbook	Click "Clear".
27	Print CCC-882	Will print the CCC-882 based on the data loaded in the current workbook.	Click "Print CCC-882".

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7 Instructions for Using CCC-882 and the Payment Workbook (Continued)

D CCC-882 Workbook With Complete Data Sets

If the producer applying for the CGCS program has a complete and accurate data set in CARS as of June 7, 2016 offices shall follow the table below to populate the CCC-882 and calculate the payment to be loaded according to paragraph 25 of this Notice.

Step	Action
1	Obtain the producers CCID from MIDAS Business Partner, per subparagraph 7 G.
2	Load the CCID in field #1 of the workbook.
3	Enter Contact Person's Name in field #4.
4	Enter Contact Person's Tel # in field #5.
5	Enter Recording County Fax # in field #9.
6	Click "Print CCC-882".

E Adjustments to the CCC-882 Workbook for Complete Data Sets

If the producer applying for the CGCS program has data loaded in CARS but data is missing or has been corrected after June 7, 2016 offices shall follow the table below to populate the CCC-882 and calculate the payment to be loaded according to paragraph 25 of this Notice.

Step	Action
1	Obtain the producers CCID from MIDAS Business Partner, per subparagraph 7 G.
2	Load the CCID in field #1 of the workbook.
3	Enter Contact Person's Name in field #4.
4	Enter Contact Person's Tel # in field #5.
5	Enter Recording County Fax # in field #9.
6	Enter corrected information in fields 20 through 25 on a tract by tract basis, as needed.
7	Click "Print CCC-882".

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7 Instructions for Using CCC-882 and Payment Workbook (Continued)

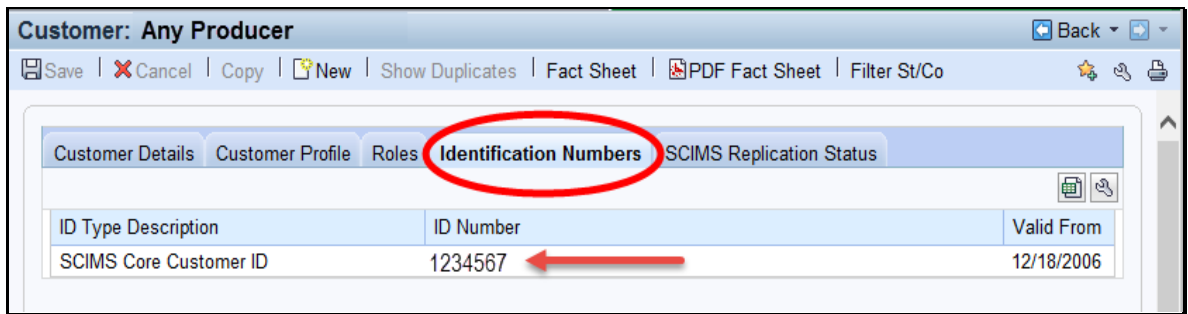
F CCC-882 Workbook for Manual Applications

If the producer applying for the CGCS program does not have Cotton acreage reported in CARS on any tract before June 7, 2016, offices shall follow this table to populate the CCC-882 and calculate the payment to be loaded according to paragraph 25 of this Notice.

Step	Action
1	Enter the Producer Name and Address in field #10.
2	Enter the Recording County Name, Address, and Tel # in field #11.
3	Enter Contact Person's Name in field #4.
4	Enter Contact Person's Tel # in field #5.
5	Enter Recording County Fax # in field #9.
6	Enter Farm, Tract, State Code, County Code, Planted Acres, and Share (Fields #20-#25) for each tract with cotton planted according to subparagraph 8 A.
7	Click "Print CCC-882".

G Obtaining the Producer's CCID

The SCIMS Core Customer ID (CCID) can be found on the "Identification Numbers" tab of the customer's CRM/Business Partner record. Following is an example.



8 General Payment Provisions for CGCS Payments

A Introduction

The CGCS payment process is an automated process that determines:

- whether the producer is eligible to receive payment
- the payment amount that can be sent to NPS for disbursement
- the overpayment amount that will be updated to the Pending Overpayment Report.

Calculated payments equal to or greater than \$1 will be sent to NPS for disbursement.

B Frequency of Payment Processing

CGCS payments are processed nightly for the following:

- payment amounts recorded through the CGCS payment process during the workday
- changes made in the system that could affect the producer's payment or overpayment amount determination.

C Obtaining FSA-325

FSA-325 shall be completed, according to 1-CM, by individuals or entities requesting payment **earned** by a producer who has died, disappeared, or been declared incompetent subsequent to applying for CGCS benefits. Payment shall be issued to the individuals or entities requesting payment using the deceased, incompetent, or disappeared producer's ID number.

Note: If CCC-882 has been filed by the producer, a revised CCC-882 is **not** required when payments are issued under the deceased, incompetent, or disappeared producer's ID number.

D Administrative Offset

CGCS payments are subject to administrative offset provisions.

E Assignments

A producer entitled to a CGCS payment may assign payments according to 63-FI. Assignments for a CGCS payment are to be recorded using the program alpha code "**15CGCS**".

Assignments for CGCS payments require a **new** CCC-36 to be submitted specifying the CGCS payment. Assignments already on file for all other program payments do not apply to CGCS.

8 General Payment Provisions for CGCS Payments (Continued)

F Bankruptcy

Bankruptcy status does **not** exclude a producer from requesting CGCS benefits.

Important: Contact the OGC Regional Attorney for guidance on issuing CGCS payments on all bankruptcy cases.

G Payment Due Date

61-FI provides general guidance for determining payment due dates for various programs. The CGCS payment system sends the current system date to NPS as the payment due date. The system **cannot** determine the payment due date because of numerous factors. County Offices shall manually determine the payment due date by determining the later of the following:

- date producer signed CCC-882
- date producer filed payment eligibility documentation, including the following:
 - AD-1026
 - CCC-902
 - CCC-941
- if the producer is an entity or joint operation, date members filed the requisite payment eligibility documentation
- availability of software to process the payment.

If the payment is **not** issued within 30 calendar days after the later of the dates in this subparagraph, then prompt payment interest is payable to the producer. County Offices shall:

- manually determine the payment due date based on the factors identified in this subparagraph
- follow the provisions of 61-FI, paragraph 8 for issuing the interest payment.

8 General Payment Provisions for CGCS Payments (Continued)

H Payments Less Than \$1

CGCS payment process will:

- issue payments that round to at least \$1
- **not** issue payments less than 50 cents.

All CGCS payments \$1 and greater in NPS are to be certified and signed. County Offices will **not** cancel CGCS payments that are less than \$10.

I Funds Control Process

CGCS payment process uses the e-Funds accounting process which controls funding allotments by program year, monitors program spending, and halts program disbursements when the funding allocation has been exhausted.

The funds for CGCS payments will be controlled at the National level. If adequate funding is not available, those producers that cannot be paid will be listed on the Failed Obligations / Insufficient Funds Report in the Common Payment Reports System.

J e-Funds Access

Funding for CGCS payments is established with the numeric accounting code 2441.

The funding will be maintained at the National level and will **not** be allotted to individual counties; therefore, State Office specialists will **not** need access to this e-fund account.

K General Payment Policy

See 9-CM, Part 2 for general payment policy for the following:

- eligible ID types and business types
- payment eligibility
- cropland factor
- payment limitation
- joint operations and entities
- general provisions for overpayments.

8 General Payment Provisions for CGCS Payments (Continued)

L Submitting Payment Problems

If there is an issue with a CGCS payment, then State Office Specialists should update the applicable information to the payment problem SharePoint site. The link for the payment problem SharePoint site is

https://sharepoint.fsa.usda.net/mgr/dafp/PECD/Payment_Issues/default.aspx

M Providing State Office Access to the Payment Problem SharePoint Site

Access to the CGCS payment problem SharePoint site will be provided to State Office Specialists that already have access to the DCP/CTAP payment problem SharePoint web site.

If access is needed, State Office Specialists should request access to the CGCS payment problem SharePoint site by e-mailing a request to tina.nemec@wdc.usda.gov.

9 Payment Limitation Provisions

A Payment Limitation Information for CGCS Payments

CGCS payments are limited to a maximum payment limitation amount per person or legal entity and will be attributed through direct attribution.

See 5-PL, paragraph 17 for payment limitation amounts for a person or legal entity.

As each payment is processed through NPS, the available payment limitation for the person or legal entity will be reduced until:

- all CGCS payments are issued for the person or legal entity
- the maximum payment limitation has been attributed to a person.

10 CGCS Subsidiary Eligibility

A Introduction

The payment process reads the web-based eligibility system, for the year associated with CCC-882 to determine whether a producer or member of a joint operation is eligible to be paid. If the producer or member is ineligible to be paid, the payment will not be issued and the producer or member will be listed on the Nonpayment Report with the applicable message.

Reminder: Eligibility determinations/certifications should accurately reflect COC determinations and producer certifications, as applicable.

B CGCS Subsidiary Eligibility

The following identifies web-based eligibility determinations applicable to CGCS payments and how the system will use the web-based subsidiary eligibility data for payment processing.

If a producer has multiple invalid subsidiary eligibility conditions, only the highest priority ineligible condition will be printed on the Nonpayment Report.

Eligibility Determination/Certification	Value	Eligible for CGCS Payment	Exceptions
Actively Engaged	Actively Engaged	Yes	
	Not Filed	No	
	Awaiting Determination	No	
	Awaiting Revisions	No	
	Not Actively Engaged	No	
	Exempt	Yes	
AD-1026	Certified	Yes	
	Not Filed	No	
	Good Faith Determination	Yes	
	COC Exemption	Yes	
	Awaiting Affiliate Certification	No	
	Affiliate Violation	No	

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10 CGCS Subsidiary Eligibility (Continued)

B CGCS Subsidiary Eligibility (Continued)

Eligibility Determination/Certification	Value	Eligible for CGCS Payment	Exceptions
AGI Note: See 5-PL for additional information about AGI determinations.	Not Filed	No	^{1/} If an IRS determination has: <ul style="list-style-type: none"> • not been returned, then the payment process will use the producer certification value • been returned, then the payment process will use the IRS returned value. ^{2/} If the IRS value is not processed, then the payment process will use the producer certification value.
	Filed CCC-941	Yes ^{1/}	
	Exempt	Yes	
	Not Met - Producer	No	
	Not Processed	^{2/}	
	Compliant - Producer	Yes	
	Compliant - Less than 3 years	Yes	
	Not Compliant	No	
	Failed Verification	No	
Cash Rent Tenant	Eligible	Yes	If a determination is “Partially Eligible” then a cropland factor payment reduction will apply.
	Partially Eligible	Yes	
	Ineligible	No	
	Not Applicable	Yes	
	Awaiting Determination	No	
	Exempt	Yes	
Conservation Compliance – Farm/Tract Eligibility	In Compliance	Yes	^{3/} A partial compliance value of “Yes” will result in an additional determination for the farm.
	Partial Compliance	Yes ^{3/}	
	In Violation	No	
	No Association	Yes	
	Past Violation	No	
	Reinstated	Yes	
Controlled Substance	No Violation	Yes	
	Growing	No	
	Trafficking	No	
	Possession	No	
FCIC Fraud	Compliant	Yes	
	Not Compliant	No	

10 CGCS Subsidiary Eligibility (Continued)

C Eligibility Conditions Priority

If a producer has multiple invalid subsidiary eligibility conditions, only the highest priority ineligible condition will be printed on the Nonpayment Report. The following table provides the priority of conditions.

Priority	Eligibility Provision
1	Fraud, including FCIC Fraud
2	Conservation Compliance
3	Controlled Substance
4	Actively Engaged
5	AD-1026

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11 CGCS Payments

A Supporting Files for Integrated Payment Processing

The CGCS payment process is a web-based integrated process that uses a wide range of information and other program determinations and values to determine whether a payment should be issued, the amount of gross payment, reductions, and the net payment amount. For payments to be calculated correctly, all supporting files must be updated correctly, including **all** the following.

Type of Information	How Information Is Used for Payment Processing	Source
CCC-882 Data	The information from CCC-882 is used to complete the spreadsheet to determine the CGCS payment amount for the producer.	Web-Based CGCS Application System
Payment Eligibility Information	Used to determine whether the producer and/or member of a joint operation is eligible for payment for the year in which CCC-882 was filed.	Web-Based Eligibility System
General Name and Address Information	Used to determine the producer's business type and general name and address information.	Business Partner/ SCIMS
Entity and Joint Operation Information	Used to determine the following for the year in which CCC-882 was filed: <ul style="list-style-type: none"> • member contribution value • substantive change value • members and member's share of the following: <ul style="list-style-type: none"> • entities • general partnerships • joint ventures. 	Business File
Combined Producer Information	Used to determine whether CGCS producers or members of entities or joint operations are combined with other producers. This information is used to ensure that the payment limitation is controlled properly.	Combined Producer System
Available Payment Limitation	Used to determine payment limitation availability.	Payment Limitation System
Financial Related Information	<ul style="list-style-type: none"> • Calculated payment information is provided to NPS. • Determined overpayment amount may be provided to NRRS. 	NPS or NRRS

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11 CGCS Payments (Continued)

B Prerequisites for Payments

Certain actions must be completed to ensure that the producer is eligible for payment. The following table provides actions that must be completed to issue payments properly. COC, CED, or designee shall ensure that the actions are completed.

Step	Action
1	Ensure that CCC-882 has been approved and that the approval date has been recorded in the system according to paragraph 6.
2	Ensure that AD-1026 is on file for the applicable year for producers seeking benefits and the eligibility information is recorded in the web-based eligibility system.
3	Ensure that the applicable CCC-902 is on file and actively engaged determinations are completed according to 5-PL for the applicable year for producers and members of joint operations seeking benefits.
4	Ensure that CCC-941 is on file for the applicable year for producers seeking benefits and the certification information is recorded in the web-based eligibility system. See 5-PL.
5	Ensure that all other eligibility determinations have been updated according to the determinations made by COC for producers and members of joint operations. See 5-PL.
6	Ensure that joint operation and entity ownership structure information is updated in Business File for the applicable year. See 3-PL (Rev. 2).
7	Ensure that the member contribution and substantive change values are updated according to 5-PL.
8	Ensure that the combined producer files are updated correctly for the applicable year. See 5-PL.
10	Ensure that all assignments and joint payees have been updated in NPS if CCC-36, CCC-37, or both were filed for CGCS.

12 Entering CGCS Payment Amounts

A Introduction

Because an automated application process is **not** available for CGCS, the amounts calculated through the CGCS spreadsheet will be recorded in the web-based CGCS payment process by the **recording State and county** for the producer.

Note: The recording county for a producer is identified in the Subsidiary Eligibility System.

B Accessing the CGCS Home Page

To access the CGCS Home Page, go to FSA's Applications Intranet web site at **<http://fsaintranet.sc.egov.usda.gov/fsa/applications.asp>**. From the FSA Intranet Screen, under "Applications Directory", CLICK "A-C". The FSA Intranet Screen will be redisplayed with applications with names starting from A to C. CLICK "CGCS Payment Process".

Note: Internet Explorer shall be used when accessing the CGCS Payment Process.

Users will be prompted to login through the USDA eAuthentication Login Screen. CLICK "Log in with LincPass" (PIV or enter user ID and password) and CLICK "Login".

The CGCS Main Menu will be displayed.

13 CGCS Main Menu

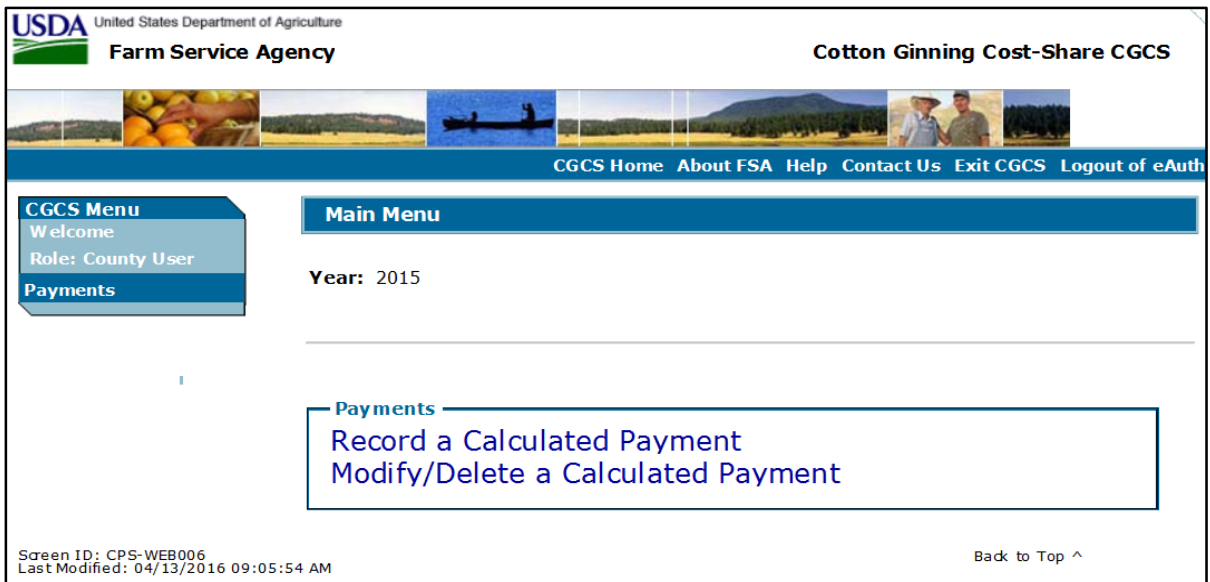
A Overview

When a user has selected the **recording State and county** for processing and clicked “Continue”, the CGCS Main Menu will be displayed. The CGCS Main Menu allows users to:

- enter payment information by clicking “Record a Calculated Payment”
- modify or delete previously entered payment information by clicking “Modify/Delete a Calculated Payment”.

B Example of CGCS Main Menu

The following is an example of the CGCS Main Menu.



C Action

User shall select to record new payment information or to modify or delete existing payment information according to the following.

- To record new payment information, CLICK “Record a Calculated Payment”.
- To modify or delete existing payment information, CLICK “Modify/Delete a Calculated Payment”.

14 Recording CGCS Payment Data

A Introduction

Manually calculated CGCS payment amounts must be recorded in the web-based system to initiate the payment process. The Record Calculated Payment Page allows the user to record the manually calculated CGCS payment amount. Only the recording State and county will be able to enter the payment amount for the producer.

B Recording Payment Amounts

Record CGCS payment amounts according to the following table.

Step	Action	Result
1	On the CGCS Main Menu, CLICK “Record a Calculated Payment”.	The SCIMS Search Page will be displayed.
2	The SCIMS Search Page provides various options for selecting a producer. Record the producer information using the desired option and select the applicable producer to continue.	The Record Calculated Payment Page will be displayed.
3	<p>On Record Calculated Payment Page, users shall record the gross amount computed by the CCC-882 Workbook process since the payment system will record any applicable reductions, and or limits.</p> <p>CLICK “Submit” to continue with the process.</p> <p>Note: See subparagraph 14 C for additional information.</p>	The Record a Calculated Payment Confirmation Page will be displayed with the payment amounts recorded.
4	<p>On the Record Calculated Payment Confirmation Page, CLICK “Confirm” to record the payment amount entered.</p> <p>Note: See subparagraph 14 G for additional information.</p>	The CGCS Main Menu will be displayed.

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14 Recording CGCS Payment Data (Continued)

C Example of Record a Calculated Payment Page

The following is an example of the Record a Calculated Payment Page.

D Information from the ccc-882 and Payment Workbook

Calculated payment amount from the CCC-882 and Payment Workbook shall be recorded in the web-based payment process by the **recording State and county** for the producer.

E Record a Calculated Payment Page Options

The following options are available on the Record a Calculated Payment Page.

Option	Action
Submit	Continues the process of recording CGCS payment data after an amount has been recorded.
Cancel	Discontinues the process and returns to the CGCS Main Menu without updating the payment amount.

14 Recording CGCS Payment Data (Continued)

F Error Messages

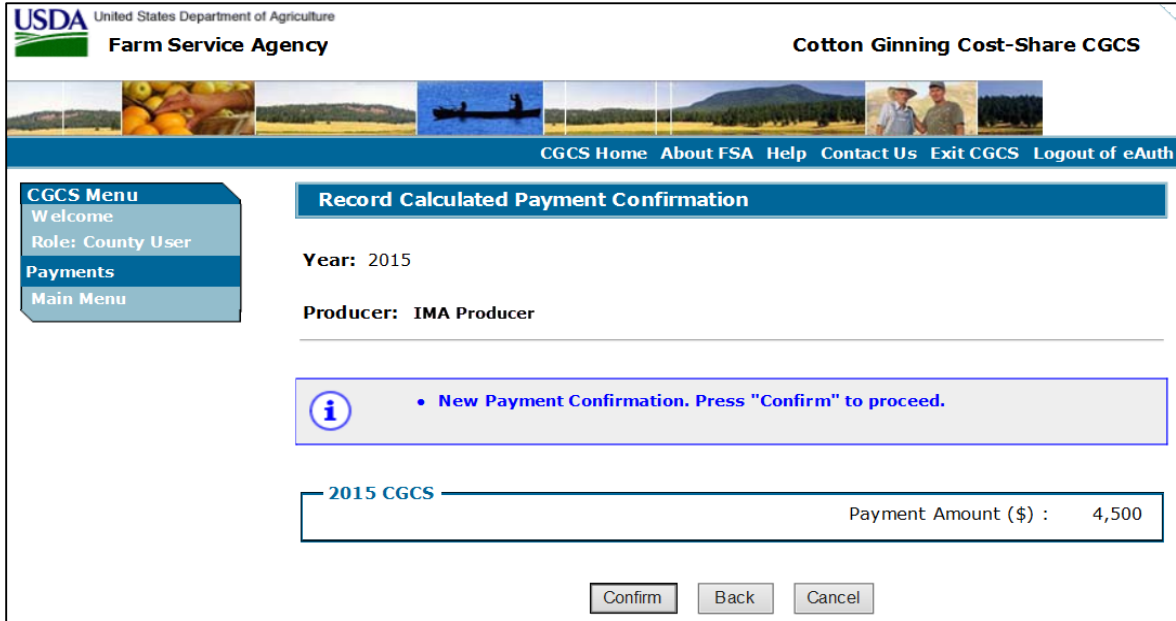
The following error messages may be displayed depending on the data recorded.

Error Message	Description of the Problem	Corrective Action
Payment data can only be recorded by the recording county for the producer.	User attempted to record the CGCS payment data is not an authorized user for the producer’s designated recording county.	County Offices shall ensure that the CGCS payment information is sent to the county designated as the producer’s subsidiary recording county. See 3-PL (Rev. 2) for additional information on the subsidiary recording county.
The amount recorded must be in whole dollars.	<ul style="list-style-type: none"> • Amount was not entered in whole dollars. • Amount entered includes dollar signs or commas. 	Correct the amount recorded and ensure that: <ul style="list-style-type: none"> • only numeric data is entered
CGCS payment amount cannot be \$0. A value greater than \$0 must be entered.	<p>User attempted to record \$0 in the payment amount field.</p> <p>If the calculated payment amount from the CCC-882 and Payment Workbook is \$0 for the producer, do not record a payment amount in the CGCS Payment Process.</p>	<ul style="list-style-type: none"> • amount entered is greater than \$0 • payment amount doesn’t include dollar signs or commas.
Payment amount for producer already exists.	Amount has already been recorded for the selected producer.	Re-access the recorded payment information through the “Modify/Delete a Calculated Payment” option on the CGCS Main Menu according to paragraph 15.

14 Recording CGCS Payment Data (Continued)

G Example of Record Calculated Payment Confirmation Page

The following is an example of the Record Calculated Payment Confirmation Page.



H Record a Calculated Payment Confirmation Page Options

The following options are available on the Record a Calculated Payment Page.

Option	Action
Confirm	Records the payment amount and triggers the payment process.
Back	Returns to the Record Calculated Payment Page so the amount can be modified, if necessary.
Cancel	Discontinues the process and returns to the CGCS Main Menu without updating the payment amount.

15 Modifying/Deleting Previously Recorded CGCS Payment Data

A Introduction

Previously entered payment amounts can be modified or deleted. On the CGCS Main Menu CLICK “Modify/Delete a Calculated Payment”.

B Effect on Previously Processed Payments

Modifying or deleting previously recorded payment amounts impacts previously processed payments in different ways depending on whether the original payment was sent to NPS and certified and signed. This table describes how a previously recorded payment is affected when the amounts are modified or deleted.

IF previously recorded payment amount is...	AND previously recorded payment amount was...	AND the payment in NPS was...	THEN...
modified	not sent to NPS because of a nonpayment condition		system will trigger the payment to reprocess the payment transaction.
	sent to NPS	certified and signed	system will retrigger the payment to reprocess to determine whether the producer is overpaid or underpaid. A transaction will be sent to NPS or the Pending Overpayment Report, as applicable.
		either of the following: <ul style="list-style-type: none"> • not certified • certified, but not signed 	<ul style="list-style-type: none"> • original amount in NPS will be canceled and the system will retrigger the payment to reprocess • new payment amount will be listed in NPS for certification and signature, provided all eligibility requirements are met.

15 Modifying/Deleting Previously Recorded CGCS Payment Data (Continued)

B Effect on Previously Processed Payments (Continued)

IF previously recorded payment amount is...	AND previously recorded payment amount was...	AND the payment in NPS was...	THEN...
deleted	not sent to NPS because of a nonpayment condition		<ul style="list-style-type: none"> • payment amounts will be deleted • system will retrigger the payment to reprocess to determine whether the producer is overpaid • an overpayment may be put on the Pending Overpayment Report if a portion of the original payment amount was certified or signed.
	Sent to NPS	certified and signed	system will retrigger the payment to reprocess to determine the overpayment amount for the producer. A transaction will be sent to the Pending Overpayment Report.
		either of the following: <ul style="list-style-type: none"> • not certified • certified, but not signed 	original amount in NPS will be canceled.

15 Modifying/Deleting Previously Recorded CGCS Payment Data (Continued)

C Modifying Payment Amounts

This table provides the steps for modifying a CGCS payment amount.

Step	Action	Result
1	On the CGCS Main Menu, CLICK “Modify/Delete a Calculated Payment”.	The SCIMS Search Page will be displayed
2	The SCIMS Search Page provides various options for selecting a producer. Record the producer information using the desired option and select the applicable producer to continue.	The Modify/Delete a Calculated Payment Page will be displayed.
3	Modify the payment amounts, as applicable, and CLICK “Modify” to continue with the process. Note: See subparagraph 15 E for additional information.	The Modify Calculated Payment Confirmation Page will be displayed with the recorded payment amount.
4	On the Modify Calculated Payment Confirmation Page, CLICK “Confirm” to accept the changes. Note: See paragraph 15 H for additional information.	The CGCS Main Menu will be redisplayed.

D Deleting Payment Amounts

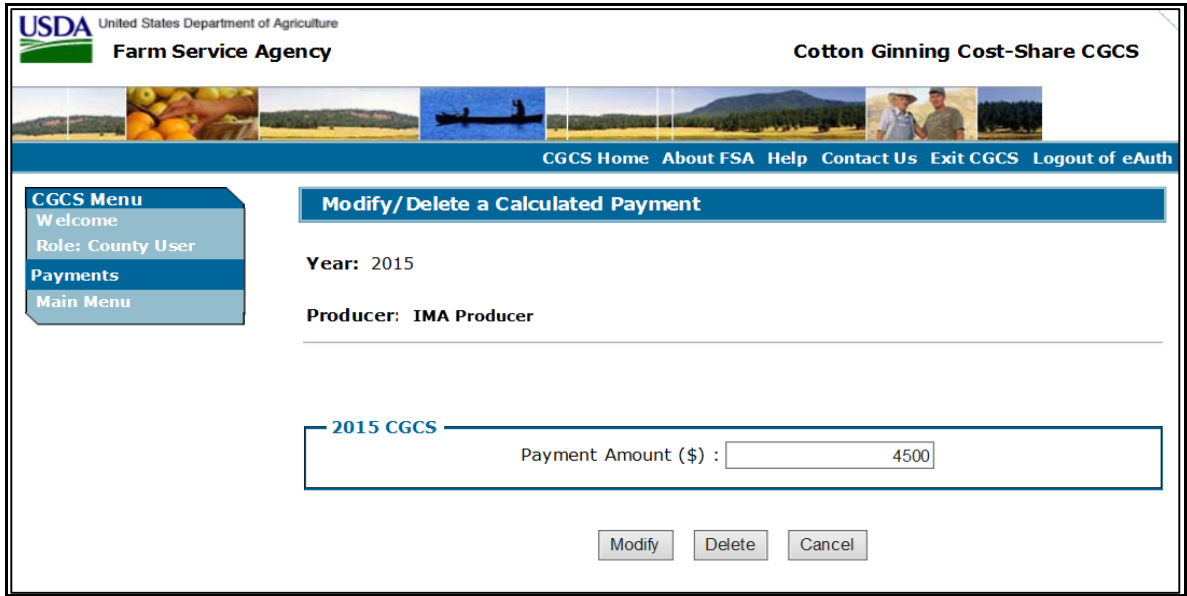
This table provides the steps for deleting a CGCS payment amount.

Step	Action	Result
1	On the CGCS Main Menu, CLICK “Modify/Delete a Calculated Payment”.	The SCIMS Search Page will be displayed.
2	The SCIMS Search Page provides various options for selecting a producer. Record the producer information using the desired option and select the applicable producer to continue.	The Modify/Delete a Calculated Payment Page will be displayed.
3	CLICK “Delete” to continue with the process. Note: See subparagraph 15 E for additional information.	The Delete Calculated Payment Confirmation Page will be displayed with the recorded payment amount.
4	On the Delete Calculated Payment Confirmation Page, CLICK “Confirm” to accept the changes. Note: See subparagraph 15 J for additional information.	The CGCS Main Menu will be redisplayed.

15 Modifying/Deleting Previously Recorded CGCS Payment Data (Continued)

E Example of Modify/Delete a Calculated Payment Page

The following is an example of the Modify/Delete a Calculated Payment Page.



F Page Options

The following options are available on the Modify/Delete a Calculated Payment Page.

Option	Action
Modify	Continues the process of recording the revised CGCS payment data.
Delete	Deletes the previously recorded CGCS payment data.
Cancel	Discontinues the process and returns to the CGCS Main Menu without updating the payment amount.

15 Modifying/Deleting Previously Recorded CGCS Payment Data (Continued)

G Error Messages

The following options are available on the Modify/Delete a Calculated Payment Page.

Error Message	Description of Problem	Corrective Action
You are not authorized to modify or delete payment requests for the recording county of producer "producer name".	User attempting to modify or delete the CGCS payment data is not an authorized user for the producer's designated recording county.	County Office shall ensure that the CGCS payment information is sent to the county designated as the producer's subsidiary recording county. See 3-PL (Rev. 2) for additional information.
"The amount recorded must be in whole dollars."	<ul style="list-style-type: none"> • Amount entered must be in whole dollars. • An amount must be recorded, even if the amount is \$0. • Amount entered includes dollar signs or commas. 	Correct the recorded amount ensuring that only numeric data is entered without dollar signs or commas.

H Example of the Modify Calculated Payment Confirmation Page

The following is an example of the Modify Calculated Payment Confirmation Page.

The screenshot displays the 'Modify Calculated Payment Confirmation' page within the USDA Farm Service Agency's Cotton Ginning Cost-Share CGCS system. The page includes a left-hand navigation menu with options like 'CGCS Menu', 'Welcome', 'Role: County User', 'Payments', and 'Main Menu'. The main content area shows the following information:

- Year:** 2015
- Producer:** IMA Producer
- Payment Amount (\$):** 5,540

A blue information box contains the instruction: "Modify Confirmation. Press 'Confirm' to proceed." At the bottom of the page, there are three buttons: "Confirm", "Back", and "Cancel".

15 Modifying/Deleting Previously Recorded CGCS Payment Data (Continued)

I Page Options

The following options are available on the Modify Calculated Payment Confirmation Page.

Option	Action
Confirm	Records the modified payment amount and triggers the payment to re-process.
Back	Returns to the Modify/Delete a Calculated Payment Page so the amounts can be modified, if necessary.
Cancel	Discontinues the process and returns to the CGCS Main Menu without updating the payment amount.

J Example of the Delete Calculated Payment Confirmation Page

The following is an example of the Delete Calculated Payment Confirmation Page.

The screenshot displays the 'Delete Calculated Payment Confirmation' page. At the top left is the USDA logo and 'United States Department of Agriculture Farm Service Agency'. The top right shows 'Cotton Ginning Cost-Share CGCS'. A navigation bar includes links for 'CGCS Home', 'About FSA', 'Help', 'Contact Us', 'Exit CGCS', and 'Logout of eAuth'. A left sidebar menu contains 'CGCS Menu', 'Welcome', 'Role: County User', 'Payments', and 'Main Menu'. The main content area has a blue header 'Delete Calculated Payment Confirmation'. Below this, it shows 'Year: 2015' and 'Producer: IMA Producer'. A blue information box contains the message: 'Delete Confirmation. The payment will be deleted and all amounts will be set to zero. Press "Confirm" to proceed.' Below the message is a form field for '2015 CGCS' with a 'Payment Amount (\$)' of 5,540. At the bottom are three buttons: 'Confirm', 'Back', and 'Cancel'.

K Page Options

The following options are available on the Modify Calculated Payment Confirmation Page.

Option	Action
Confirm	Deletes the recorded payment data and triggers the payment to re-process. A overpayment will be listed on the Pending Overpayment Report if the payment was certified and signed.
Back	Returns to the Record Calculated Payment Page so the amount can be modified, if necessary.
Cancel	Discontinues the process and returns to the CGCS Main Menu without updating the payment amount.

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16 Displaying or Printing Payment Reports

A Displaying or Printing CGCS Payment Reports

CGCS payment reports are available to provide information about each payment, nonpayment, or overpayment. Most of the payment reports have information that is common between program areas, so information about these reports is provided in 9-CM. The Payment History Report - Detail has program-specific data, so information for this report is provided in this notice. CGCS payment report information is available according to the following table.

Report Name	Type of Data	Reference
Submitted Payments Report	Live	9-CM, paragraph 63
Submitted Overpayments Report	Live	9-CM, paragraph 64
Pending Overpayment Report	Live	9-CM, paragraph 65
Note: The Pending Overpayment Report is accessed through the Pending Overpayment Summary Report according to 9-CM, paragraph 64.5.		
Nonpayment/Reduction Report	Live	9-CM, paragraph 66
Failed Obligations / Insufficient Funds Report	Live	9-CM, paragraph 67
Payments Computed in Zero Report	Live	9-CM, paragraph 68
Payment History Report - Summary	Report Database	9-CM, paragraph 69
Payment History Report - Detail	Report Database	Paragraph 17

Note: See 9-CM, paragraph 52 for instructions on accessing the Common Payment Reports System.

17 Payment History Report - Detail

A Introduction

The CGCS Payment History Report - Detail is a report that provides detailed information about the CGCS payment for the producer.

B Accessing the Payment History Report Process

Access the Payment History Report - Detail according to 9-CM, paragraph 52.

C Information Displayed/Printed on the Payment History Report - Detail

The following CGCS information will be displayed and/or printed on the Payment History Report - Detail.

Field	Description
State	State as selected.
County	County as selected
Program Year	Year associated with CCC-882 that was filed by the producer.
Program Name	Program name “Cotton Ginning Cost-Share Program”.
Date	Date the Payment History Report – Detail was printed.
Producer Name	Name of the producer associated with the selection.
Business Type	Business type associated with the producer.
Producer Information	
Date	Date the payment or overpayment was processed.
State/County	State and county code associated with the applicable transaction record.
Payment Entity/Member Name	Payment entity or member name will provide payment entity or member name information if the Payment History Report is generated for: <ul style="list-style-type: none"> • an entity or joint operation where amounts were attributed to members • a member to show the payment entity the amount was attributed through.
Payment ID Number	Payment ID number is a unique number that ties the program history data to the NPS history data.
Business Type	Business type of the producer and/or member.
Transaction Type	Type of transaction for the information displayed. Transaction type will be 1 of the following: <ul style="list-style-type: none"> • payment • receivable • canceled payment.
Total Reduction Amount	Total reduction amount for all reductions applied to the gross payment.
Net Payment	Net payment amount for the producer after all reductions have been applied.
Reduction Reason	Reason for the reduction applied to the gross payment amount.

18 General Provisions for Canceling Payments

A Canceling Payments

After payment processing has been completed, County Offices shall review the NPS payment worklist to ensure that the correct payment has been generated. The user should complete the following if an error is determined:

- payment should **not** be signed in NPS
- condition causing the incorrect payment should be corrected.

Note: User intervention is not allowed for the cancellation process. If the:

- condition causing the incorrect payment is corrected, the system will automatically cancel the unsigned payment in NPS and recalculate the payment amount due
- payment amount is determined to be incorrect and the payment has been signed in the NPS system, the payment can no longer be canceled. The producer will be underpaid or overpaid once the condition causing the incorrect payment amount has been corrected.

19 General Provisions for Overpayments

A Introduction

Overpayments will be determined during the CGCS payment process. Overpayment information will be updated to the Pending Overpayment Report according to 9-CM, paragraph 65. The overpayment will remain on the Pending Overpayment Report for 20 workdays to allow time for correcting the condition that caused the overpayment. If the overpayment is a legitimate debt, then the overpayment should be transferred to NRRS immediately.

B Collecting Overpayments

Overpayment amounts will be determined for the producer. Overpayments can occur for a number of reasons and County Offices are required to take necessary action to collect overpayments.

C Overpayments and Due Dates

The following table lists:

- situations that may cause an overpayment
- overpayment due dates.

Time of Determination	Situation	Overpayment Due Date
Any time.	Payment was issued for the wrong producer.	Immediately
After something affecting the payment amount is changed on the CCC-882.	The payment was issued and later something affecting the payment amount changes on the CCC-882.	Immediately
After producer misrepresentation is determined.	The producer received a payment and the COC determines that the producer misrepresented their interest on the CCC-882.	Immediately
After payment limitation is exceeded.	It is determined that the payment issued exceeds the producer's effective payment limitation amount.	Immediately
After an eligibility value changes that makes the producer ineligible for payment.	The producer's eligibility value changes which makes the producer ineligible for payment.	Immediately
Any time the payment amount is deleted.	CCC-882 was canceled after a payment was issued to the producer resulting in a zero payment amount being entered in the CGCS payment system..	Immediately

19 General Provisions for Overpayments (Continued)

D Determined Overpayment

For any overpayment amount calculated as \$1 or greater, the system will update the applicable information to the Pending Overpayment Report. See 9-CM, paragraph 65 for information on the Pending Overpayment Report.

E Handling Debts Less Than \$100

County Offices shall follow 58-FI for handling receivables less than \$100.

F Debt Basis Codes

The system automatically assigns the debt basis code to the receivable when it is updated to the Pending Overpayment Report. The following are the debt basis codes used for CGCS overpayments.

IF the reason the payment entity/member is overpaid is because of...	THEN the discovery/debt basis reason is...
payment eligibility because of fraud	10-423.
payment limitation issues	10-426.
payment eligibility, except fraud	10-427.
prior payments exceed current payment.	10-428.

20 Charging Interest

A Introduction

Interest shall be charged on all CGCS overpayments to producers who become ineligible after the producer's application was approved and the payment was issued.

B Ineligible Producers

A producer is considered ineligible if:

- COC determines that the producer:
 - erroneously or fraudulently represented any act affecting a determination
 - knowingly adopted a scheme or device that tends to defeat the purposes of the program
 - misrepresented their interest and subsequently received a CGCS payment
- the producer does **not** meet AGI provisions
- conservation compliance provisions are violated
- controlled substance provisions are **not** met
- member contribution provisions are **not** met
- substantive change provisions are **not** met.

Interest for ineligible producers will be charged from the date of disbursement.

C When Not to Charge Interest

Interest will not be charged if the producer:

- is determined to be eligible
- returns the Treasury check without being cashed
- refunds the payment voluntarily.

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21 Action

A State Office Action

State Offices shall ensure that County Offices and Cotton Clerks receive and review the entire contents of this notice.

B County Office Action

County Offices shall follow the contents of this notice. Questions related to CCE's and the contents of this notice shall be directed to their respective State program specialist.



C Contacts

State program specialists shall direct questions to the applicable contact according to this table.

IF the question is about...	THEN contact...
CGCS policy	Kelly Hereth Dawson by either of the following: <ul style="list-style-type: none">• e-mail to kelly.hereth@wdc.usda.gov• telephone at 202-720-0448.
CGCS workbook issues	Mike Walter by either of the following: <ul style="list-style-type: none">• e-mail to michael.walter@wdc.usda.gov• telephone at 816-926-7902.
CGCS payment issues	Tina Nemeč by either of the following: <ul style="list-style-type: none">• e-mail to tina.nemec@wdc.usda.gov• telephone at 202-690-4027.

Producer CGCS Signup Notification Letter

Following is an example of the producer CGCS signup notification letter.

 United States Department of Agriculture	
Farm and Foreign Agricultural Services Farm Service Agency 1400 Independence Ave. SW Stop 0512 Washington, DC 20250-0512	June 20, 2016 Subject: Cotton Ginning Cost Share Program Signup – June 20, 2016 to August 5, 2016 Dear Cotton Producer/s and Shareholder/s: You are receiving this letter because the Farm Service Agency (FSA) records indicate that you have or had a share in 2015 crop year upland cotton as reported on your 2015 acreage report (FSA-578). This letter advises you of your <u>option</u> to participate in the new Cotton Ginning Cost Share Program, under which you may be eligible for a cotton ginning cost share payment. Your participation is not mandatory, and there is no penalty if you choose not to apply. FSA established the Cotton Ginning Cost Share (CGCS) Program on June 6, 2016, under the statutory authority of the Commodity Credit Corporation Charter Act. Through CGCS, you may be eligible to receive a one-time cost share payment, which is based on the quantity of 2015 cotton acres you reported to FSA and your proportionate share in the acres, at the 40% cost share rate of the calculated ginning cost for each production region. The cost share rates are the following: <ul style="list-style-type: none">• \$47.44 for the Southeast (AL, FL, GA, NC, SC, VA),• \$56.26 for the Mid-South (AR, IL, KY, LA, MS, MO, TN),• \$36.97 for the Southwest (KS, OK, TX), and• \$97.41 for the West (AZ, CA, NM). To request a CGCS Program payment, the CCC-882 must be submitted to FSA by August 5, 2016 , either in person, by mail, fax, or scanned and emailed. Data from the FSA-578 Crop Acreage report was used to pre-fill the enclosed form CCC-882 with the number of acres and your share percentage of the cotton crop as reported on the FSA-578. If the information recorded on the CCC-882 form is incorrect, contact the recording County FSA office as designated in item 4 on the form. Any revisions to the CGCS application must be completed by August 5, 2016. To be eligible for the CGCS, you must comply with all USDA provisions on fraud (including FCIC), conservation compliance, controlled substance, adjusted gross income, payment limit, and active engagement. While CGCS payments do not count against your payment limitations under the 2014 Farm Bill, the cost share payments are capped at \$40,000 per producer. For more information or if you have any questions, please visit or contact your FSA County office. Additional details are also available online at www.fsa.usda.gov . Sincerely,  Val Dolcini Administrator <small>USDA is an Equal Opportunity Provider, Employer, and Lender</small>

CCC-882, Cotton Ginning Cost-Share (CGCS) Program Application (Continued)

CCC-882 (06-06-16)

Page 3 of 3

PART D – PRODUCER AGREEMENT (For additional signatures, provide signatures on an additional CCC-882, Page 2 and note in Item 16 Remarks)

THIS APPLICATION TO PARTICIPATE in CGCS is entered into between the Commodity Credit Corporation (CCC) and the undersigned producers on the farm(s) identified in Item 6 for the 2015 crop year of the cotton acres identified in Item 8. This application must be executed by each cotton producer with a share interest greater than zero in the cotton acres on the farm who is requesting a CGCS payment by the application deadline. **Cotton producers with a share in the cotton acres who do not sign this application by the application deadline are not eligible for and will not be paid a CGCS payment.** By signing this statement, the undersigned producer(s) on the farm(s) identified in Item 6 requesting a CGCS payment, subject to CCC approval: (1) agree to comply with CGCS, payment eligibility and limitation, including all terms and conditions associated with CGCS as stated in the notice of funds availability issued for CGCS; (2) acknowledge and agree that CGCS is subject to changes to applicable statute or regulation; (3) certify to the accuracy of the information recorded on this form whether the information was entered by the applicant or on behalf of the applicant by either someone else or FSA; (4) a producer's claimed share of CGCS payments must correspond to the producer's share of the cotton acreage reported on the farm's acreage report; (5) the payment is subject to payment eligibility and payment limitation requirements, and may be reduced; (6) and acknowledge and agree this application form must be submitted to FSA by August 5, 2016, in order to be considered for a CGCS payment, and if the form is submitted after August 5, 2016, application for payment will be disapproved.

14A. Producer's Name	14B. Producer's Signature	14C. Title/Relationship of Individual Signing in the Representative Capacity	14D. Date (MM-DD-YYYY)

PART E – CCC APPROVAL (FOR CCC USE ONLY)

15A. Name of CCC Representative	15B. Signature of CCC Representative	15C. Title/Position of CCC Representative	15D. Date (MM-DD-YYYY)

15E. Select Approved/Disapproved (Note: If "Disapproved" state reason in Item 16.) APPROVED DISAPPROVED

16. Remarks

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is Sec. 5 of the Commodity Credit Corporation Act [15 U.S.C. 714 et seq.]. The information will be used to determine producer eligibility to participate in and receive benefits under the Cotton Ginning Cost Share Program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility concerning the processing of the cotton ginning cost-share payment request.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0287. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

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Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9982. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

