

For: State and County Offices

Making CRP Annual Rental Payments in FY 2010

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Sufficient FY 2010 funds have been made available to make CRP annual payments. Kansas City has completed the batch payment process for CRP annual rental payments, including Emergency Forestry CRP (EFCRP) contracts due an annual rental payment in October 2009. Beginning in November 2009, the batch payment process will be executed the first week of each month.

Annual rental payments that have been successfully processed by the Kansas City batch payment process will now be present in NPS for certifying and signing by County Offices. Payments that were not included in the batch payment process because of being “blocked” must now be accessed by the County Office and unblocked if a payment should be issued. County Offices can access the payment reports in the Conservation Payments System to identify failed payments and the reason for failure. Once the issue causing the payment failure is corrected, the County Office can issue the payment using the “Make NPS Payment” option.

According to Notice CRP-644, **the System 36 has been modified to reflect revised maintenance rates.** County Offices may resume CRP contract maintenance and approval of new contracts.

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1 Overview (Continued)

B Purpose

This notice provides State and County Offices with the following:

- to strictly adhere to policies in this notice to ensure that all due CRP annual rental payments are issued in a timely manner
- overview of the annual rental payment process for FY 2010
- instructions for identifying and processing failed payments
- notification of available supporting material
- instructions for unblocking payments
- the Finality Rule does not apply to CRP annual payments
- obsoletes CRP-1P Addendum.

2 Overview of CRP Payment Processing

A Changes to CRP Payment Process

Beginning in October 2009, annual CRP rental payments will be initiated as a web-based batch process from Kansas City.

The batch process initiated by Kansas City has sent payment information to NPS for payments that have been successfully processed. County Offices must review CRP annual rental payments in NPS, and perform the normal certifying and signing process for payments **before** releasing to Treasury and being sent to the producers. The batch payment process will automatically run each month. County Offices shall process CRP rental payments through the Conservation Payments System for contracts not paid during the batch process.

B CRP Signup Incentive Payments (SIP) and Practice Incentive Payments (PIP)

Since December 2008, CRP SIP's and PIP's have been issued using Online Payments. After October 1, 2009, all SIP's and PIP's will no longer be issued through Online Payments. Web-based Conservation Payments software for making any SIP's or PIP's will not be available until about November 2, 2009. When the software is functional to process SIP's and PIP's, County Offices will be notified.

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2 Overview of CRP Payment Processing (Continued)

C Conservation Payments User Guide

There are 2 Conservation Payments User Guides posted on the State and County Office CEPD Information Center web site; 1 for County Offices and 1 for State Offices. These have been updated to provide detailed instructions for payment reports, making and canceling payments, and blocking and unblocking payments. These Conservation Payments User Guides will be used to process individual payments.

D Discontinuing Use of CRP-1P Addendum

Completing CRP-1P Addendum is no longer necessary because FSA has updated the automated system which stores eligibility information.

E Transaction Statements

Transaction statements will be mailed by Kansas City to the CRP participants receiving payments processed through the Conservation Payments System. Only payments that are processed successfully by NPS will receive a transaction statement. Producers will **not** be notified if the payment was blocked by the County Office or was not included in a batch process because of producer ineligibility. County Offices will **not** receive copies of transaction statements.

F Prior Year Payment Corrections or Cancellations

Current System 36 functionality will still be available for maintaining payments previously issued through System 36, unless the payments have been canceled. Cancellations, refunds, and refund cancellations of CRP annual rental payments previously issued through System 36 will still be completed in System 36. Payments issued through the web-based Conservation Payments System will be maintained in the Conservation Payments System.

3 Making FY 2010 CRP Annual Rental Payments

A Identifying and Processing Failed Payments

County Offices shall run nonpayment reports to identify failed payments that were not processed through the batch payment process. Once the issues have been corrected that caused the payment failure, the County Office can issue the payment using the "Make NPS Payment" option.

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3 Making FY 2010 CRP Annual Rental Payments (Continued)

A Identifying and Processing Failed Payments (Continued)

Conservation Payments software contains options for County Offices to run prepayment and nonpayment reports for a selected contract or group of contracts. After selecting the option to run a prepayment or nonpayment report, an Adobe Acrobat document will be generated for each contract displaying the producer's information. If the information is accurate, no further action is needed before the payment can be issued. If the payment is being reduced, the report will provide the County Office with a message describing the issue that caused the reduction in payment. After any necessary corrections have been recorded, the County Office shall run the prepayment report for the contract.

Note: The Conservation Payments software reports are essential because the List of Producers Under Paid Report in 1-CRP, paragraph 391, and the CRP Overpayment Report for all producers referenced in 1-CRP, paragraph 394, will **no longer be available** for payments issued through the Conservation Payments software.

B Payment Reports

To capture nonpayment information and to run a nonpayment report, from the Conservation Payment Home Page, under "Payments", CLICK "Payment Reports". On the Payment Report, create payment reports according to the following.

IF field is...	THEN...
Program Name	use drop-down menu to select "EFCRP", "SAFE", or "CRP".
Payment Year	use drop-down menu to select the year the payment is earned. Example: CRP payment is earned October 1, 2008, through September 30, 2009. CRP payment is issued in October 2009. The payment year is 2009.
State and County	use drop-down menus to select applicable State and county.
Contract Number	enter contract number (optional).
Contract Number Range From / To	enter contract number range (optional).
Contract Payment Type	use drop-down menu to CLICK "Unpaid".
Non-payments report	check (✓) "Non-payments report" for a list of payments that have failed.

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3 Making FY 2010 CRP Annual Rental Payments (Continued)

B Payment Reports (Continued)

CLICK “**Search**” to generate a payment report.

Notes: If “Contract Number” fields are left blank and users click “**Search**”, a list of contracts will be displayed.

The screenshot shows a web interface for generating a payment report. On the left is a vertical navigation menu with the following items: **Payments** (highlighted), Prepayment Report, Make NPS Payment, Cancel NPS Payment, View Contract Payment Summary, Block Payment, Unblock Payment, and Payment Reports. The main area is titled "Payment Report" and contains the following fields and controls:

- Program Name: EFCRP (dropdown)
- Payment Year: 2009 (dropdown)
- State: Select State (dropdown)
- County: Select County (dropdown)
- Contract Number: [text input]
- Contract Number Range From: [text input] To: [text input]
- Contract Payment Type: All (dropdown)
- Prepayment:
- Non-payments report:
- Search: [button]

Examples: If users want to see a Prepayment Report for SAFE contracts with the numbers 10001-10009, CLICK “SAFE” for “Program Name”, and in the “Contract Number Range From/To” fields, ENTER “10001” and “10009” respectively, check (✓) “Prepayment”, and CLICK “Search”.

If users want to see only 1 contract for nonpayment, enter the contract number in the “Contract Number” field, check (✓) “Non-payment report”, and CLICK “Search”.

Note: Users can run both a prepayment and a nonpayment report simultaneously by checking (✓) both “Prepayment” and “Non-payment report”.

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3 Making FY 2010 CRP Annual Rental Payments (Continued)

C Eligibility

In FY 2010 the Conservation Payments System will read 2009 determinations and certification information to determine producer eligibility for the CRP annual rental payments. The rules in effect at contract approval determine which determinations and certification information apply to the contract. The applicable determinations and certification information **must** be updated for 2009 for a producer to receive the CRP annual rental payment.

Note: The applicable determinations and certification information can only be updated if documentation is filed and determinations are made.

The following determinations and certification information in the web-based subsidiary eligibility system apply to all CRP contracts:

- Conservation Compliance
- Controlled Substance
- Fraud-including FCIC Fraud
- Federal Crop Insurance.

The following determinations and certification information in the web-based Subsidiary Eligibility System apply to CRP contracts approved before October 1, 2008. The determination and certification information does **not** apply to CRP contracts approved on or after October 1, 2008, and will **not** apply to the extension period approved for 2009 Extensions:

- Actively Engaged - 2002 Farm Bill
- Cash Rent Tenant
- Permitted Entity - 2002 Farm Bill
- Person Eligibility - 2002 Farm Bill.

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3 Making FY 2010 CRP Annual Rental Payments (Continued)

C Eligibility (Continued)

AGI provisions are effective at contract approval and remain in effect for the life of the CRP contract, as follows:

- 2002 Farm Bill:
 - applies to CRP contracts approved before October 1, 2008, but after May 14, 2002
 - applies to extension periods approved during the 2005 Re-Enrollment and Extension option (REX) regardless of the original contract approval date
 - does **not** apply to CRP contracts approved on or after October 1, 2008
- Conservation Program Certification:
 - applies to contracts approved on or after October 1, 2008
 - applies to the extension period for contracts recently extended through 2009 extensions
 - does **not** apply to CRP contracts approved before October 1, 2008.

Note: For contracts other than contracts extended through the REX process, with an effective date before October 1, 2002, AGI provisions do **not** apply.

D Unblocking Payments

CRP payments that required a payment reduction and were entered in the special payment processing were **batch blocked** by Kansas City. County Offices can print the Producers Selected for Special Payment and/or Reductions Report according to 1-CRP, paragraph 386, which will list the producers that were selected for special payments by the County Office to be blocked. The County Office can use the list to identify blocked CRP contract payments that need to be unblocked. The County Offices must ensure that the receivables for these payment reductions have been verified before unblocking the payment. These blocked payments can then be unblocked by County Offices so payment can be made through the next batch payment process. The County Offices can also make the payment using the make NPS payment option.

Note: The Producers Selected for Special Payment and/or Reductions Report does **not** contain information for SAFE or EFCRP contracts.

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D Unblocking Payments (Continued)

On the Conservation Payment Home Page, under “Payments”, CLICK **“Unblock Payment”**.

On the Unlock Payment Screen, unblock payments according to the following.

IF field is...	THEN...
Program Name	use drop-down menu to select “EFCRP”, “SAFE”, or “CRP”.
Payment Year	use drop-down menu to select the year the payment is earned. Example: CRP payment is earned October 1, 2008, through September 30, 2009. CRP payment is issued in October 2009. The payment year is 2009.
State and County	use drop-down menus to select applicable State and county.
Contract Number	enter contract number (optional).
Contract Payment Type	use drop-down menu to CLICK “Lumpsum” (for EFCRP only) or “Annual”.

CLICK **“Search”** to generate a list of payments to unblock.

Notes: If “Contract Number” is left blank and users click **“Search”**, a list of contracts will be displayed.

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3 Making FY 2010 CRP Annual Rental Payments (Continued)

D Unblocking Payments (Continued)

A list of contracts for which the user can unblock payment will be displayed. Select the desired contract and CLICK “Continue” to continue or “Reset” to reset the field.

The screenshot shows a web interface titled "Unblock Payment". On the left is a vertical navigation menu with the following items: Payments, Prepayment Report, Make NPS Payment, Cancel NPS Payment, View Contract Payment Summary, Block Payment, Unblock Payment, and Payment Reports. The main content area displays "One Contract found." followed by a table with one row. The table has columns for Contract Number, Contract Effective Date, Farm Number, Tract Number, and Payment Type. The row contains the values 2, 06/01/2008, and AN. Below the table are "Continue" and "Reset" buttons.

Contract Number	Contract Effective Date	Farm Number	Tract Number	Payment Type
2	06/01/2008			AN

If user clicked “Continue” to unblock the payment displayed, CLICK “Submit”.

The screenshot shows the "Unblock Payment" interface after clicking "Continue". The left navigation menu is the same. The main content area displays detailed contract information in a form. The fields are: Program Name (SAFE), Contract Number (10087), Start Date (11/01/2006), Farm Number, Tract Number, Contract Payment Type (Annual), and Payment Amount (\$ 2,745). Below this is a table with columns for Tax ID, Customer Name, Shared %, and Shared Amount. The row contains ***** for Tax ID, an empty field for Customer Name, 100.0 for Shared %, and \$ 2,745 for Shared Amount. At the bottom, there is a "Blocked Reason:" field with the value "Breach of contract" and "Submit" and "Cancel" buttons.

Program Name	SAFE
Contract Number	10087
Start Date	11/01/2006
Farm Number	
Tract Number	
Contract Payment Type	Annual
Payment Amount	\$ 2,745

Tax ID	Customer Name	Shared %	Shared Amount
*****		100.0	\$ 2,745

Blocked Reason: Breach of contract

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D Unblocking Payments (Continued)

The Unblock Payment Screen will be redisplayed with the statement, “The selected contract is now available for payment.” If this statement is not displayed, the payment was **not** unblocked.

The contract is now unblocked and available for payment.



4 Action

A State Office Action

State Offices shall ensure that County Offices follow instructions in this notice.

B County Office Action

County Offices shall:

- certify and sign CRP payments in NPS
- follow the provisions of this notice to issue additional payments
- discontinue using CRP-1P Addendum.

C Contact

For questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Bryan Rogers, CEPD at 202-720-6825.