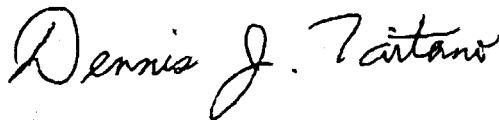


For: State and County Offices

Treasury Implementation Project to Begin August 3, 2009

Approved by: Associate Administrator for Operations and Management



1 Overview

A Background

FSA/CCC payments made by direct deposit currently are transmitted by Kansas City directly to the Federal Reserve Bank. Beginning August 3, 2009, FSA/CCC payments made by direct deposit will be transmitted by Kansas City to Treasury. This allows FSA to be compliant with the Debt Collection Improvement Act of 1996 (DCIA), which requires that Federal payments be processed through the Treasury Offset Program (TOP), so that any delinquent Federal debt can be offset.

Note: There will be no change to the current internal FSA/CCC offset process. Internal agency offsets will be taken before payments are processed through TOP.

B Purpose

This notice:

- provides information on the changes that will result from the Treasury Implementation Project
- requires that Service Centers notify all payment recipients of the potential impacts.

Disposal Date	Distribution
January 1, 2010	State Offices; State Offices relay to County Offices

Notice FI-2904

1 Overview (Continued)

C Contact

State Offices with questions about this notice should contact either of the following:

- Debbie Simmons, FMD, by either of the following:
 - e-mail at Debbie.Simmons@wdc.usda.gov
 - telephone at 703-305-1309
- Pam Moore, FMD, by either of the following:
 - e-mail at pam.moore@kcc.usda.gov
 - telephone at 816-926-5967.

2 Changes Resulting From Treasury Implementation Project

A Delay in Receipt of Payments Made by Direct Deposit

Payments made by direct deposit that are certified and signed in NPS by 3 p.m. Central Time will be processed in Kansas City and sent to Treasury that same day. Payments certified and signed in NPS that are received after 3 p.m. Central Time will be sent to Treasury the next business day. This schedule accommodates Treasury's processing for delinquent debts. As a result of this processing change, direct deposit payments will be credited to the recipient's account 1 day later than under the existing payment schedule.

B Payments Subject to Offset for Delinquent Federal Debt

DCIA requires that all Federal payments be offset for all delinquent Federal debt. All payments will be matched against debt referred to Treasury, including payments made by Treasury check. Payments to assignees will be subject to TOP offset if the assignee has a delinquent Federal debt in TOP.

If the TOP database finds a match for taxpayer identification number (TIN) and name, the payment will be offset for the delinquent debt. Treasury will notify the payment recipient of any offsets taken for debts due other agencies. FSA will **not** receive notification of the offset.

If there are questions about a TOP offset, the payee may call the TOP Call Center at 1-800-304-3107 to obtain the contact information for the offsetting agency. The TOP Call Center only has access to provide the name of the offsetting agency and their contact information. The payee will need to call the offsetting agency to determine the origination of the debt.

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2 Changes Resulting From Treasury Implementation Project (Continued)

C Description on Bank Statements of Direct Deposit Payees

Currently, the description on the payee's bank statement reads, "USDA-FSAKCMOCDSP". After August 3, 2009, the description on the bank statement will read, "FSA TREAS 310" for all payments that are disbursed by Treasury.

3 Action

A County Office Action

County Offices shall notify payment recipients of the processing changes that will result in:

- a 1 day delay in receipt of funds via direct deposit
- the potential for all payments to be offset through TOP
- the description on the bank statement reading "FSA TREAS 310".