For: State and County Offices

Recording Refunds in the National Receipt and Receivable System (NRRS)

Approved by: Associate Administrator for Operations and Management

Chris P. Beyerhelm

1 Overview

A Background

Refunds are monies returned to customers as a result of collections that are determined to be incorrect, often because too much was collected or because a receivable was appealed and relief has been granted. USDA policy is that refunds under $10 will not be returned to the customer unless it is specifically requested. When refunds of these amounts are going to be made, remarks are required for these refunds, that is, "Customer specifically requested the refund."

A determination that monies need to be returned can occur at the time the original collection is processed or at any time afterward.

Note: FLP Refunds – A refund receipt will always be created for the remaining portion of the remittance. The $10 threshold does not apply to FLP.

B Purpose

This notice clarifies the refund process and addresses the most common occurrences.

Note: This information will be included in the future revision of 64-FI.

Disposal Date	Distribution
December 1, 2016	State Offices; State Offices relay to County Offices

1   Overview (Continued)

C   Contacts

If there are questions about this notice, contact the appropriate person according to this table.

Issue	Contact
Software Related Problems	National Help Desk at 800-255-2434 or 816-926-1552 **Note:** Select option 3 for hardware and application software.

Procedures on NRRS	Either of the following:
	
	• Cari McQueen by either of the following:
	
	  • e-mail to **cari.mcqueen@kcc.usda.gov**
	  • telephone at 816-926-6790
	
	• JoLynn Khan by either of the following:
	
	  • e-mail to **Jolynn.khan@wdc.usda.gov**
	  • telephone at 202-772-6044.

Policy on NRRS Items	Thom Harris by either of the following: • e-mail to **tom.harris@wdc.usda.gov** • telephone at 202-772-6014.

2   Refund Scenarios

A   Refunds Identified During the Original Collection Process

There are situations where a loan repayment requires CCC to issue a refund to the customer because the warehouse check was larger than the loan repayment, or an offset has occurred and the customer also delivers a check. When the County Office knows a refund will be needed at the time the collection is received, because there is a warehouse check or an offset **and** the customer has submitted a check, process the warehouse check first to the loan or receivable. If the loan repayment has been satisfied or the receivable balance is zero, return the customer's check without processing.

Notes: When a collection or offset is received that is for more than the balance of an open receivable, NRRS will apply the surplus to any other open debt. If there is money remaining, NRRS will send a request to NPS to refund the money to the customer. If an offset is taken and there is no debt to apply any of the money, NRRS will send a request to NPS for a full refund. For Treasury offsets, NRRS will refund the total offset from the customer's payment, including Treasury's collection fee.

Remittance types "Check" and "Joint Check" require a 5-workday (weekends and holidays are not included) hold before the refund will pass to NPS.

2   Refund Scenarios (Continued)

A   Refunds Identified During the Original Collection Process (Continued)

When the check is remitted from a warehouse, using remittance type "Cashier's Check" will allow NRRS to transmit the refund to NPS in the overnight process. Cashier's check should only be used when the check is from a warehouse, grain dealer, etc., or is actually a cashier's check. Treasury checks should also be processed as cashier's checks (not as Treasury offsets).

B   Entering Collections With Refunds Less Than $10

For all collections, create a single remittance for the entire amount of the check received for the program or existing receivable being collected. Enter two receipts in NRRS. Record the first receipt, selecting the collection type of the program to be credited, and applying the amount due to the receipt. For refunds of **$9.99** or less (if the customer did not specifically request the refund), record a second "Miscellaneous Income" receipt, according to the following instructions:

Note: A "Miscellaneous Income" receipt shall **not** be created for FLP remittances. All funds associated with FLP remittances should be applied to the borrower's loan with a "Farm Loan" receipt or refunded to the borrower through the "Alternate Payee" option. Under "Remittances", CLICK "**Refund**", for "Alternate Payee", CLICK "**Yes**". In "Remarks", enter the recipient's full name, correct address, and a brief description of why the refund is being issued.

Important: Screen print the page **before** proceeding, and then CLICK "**Confirm**". Provide a copy of this screen to the farm program staff for further processing of the alternate payee refund in NPS. Verify that the remaining amount is $0 and that the receipts for the farm loan and refund reflect the correct amounts. If all is correct, then the remittance is complete.

Note: County Offices shall follow 8-LP, subparagraph 745 F for procedure on refunding excess money received from a buyer for MAL repayment. The "Alternate Payee" option is to be used for refunding to the buyer.

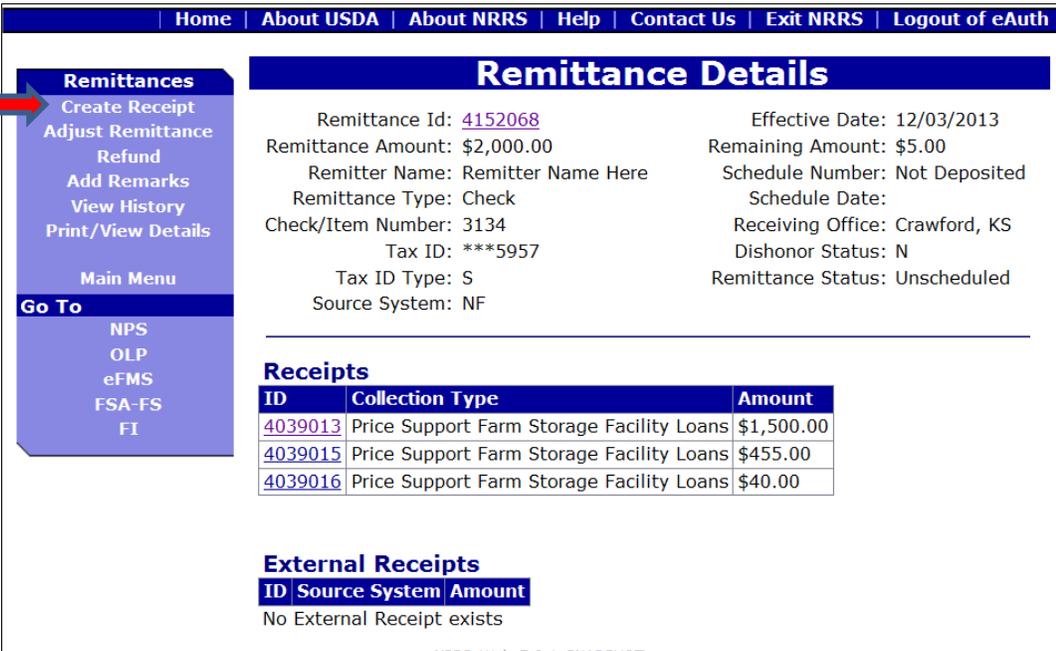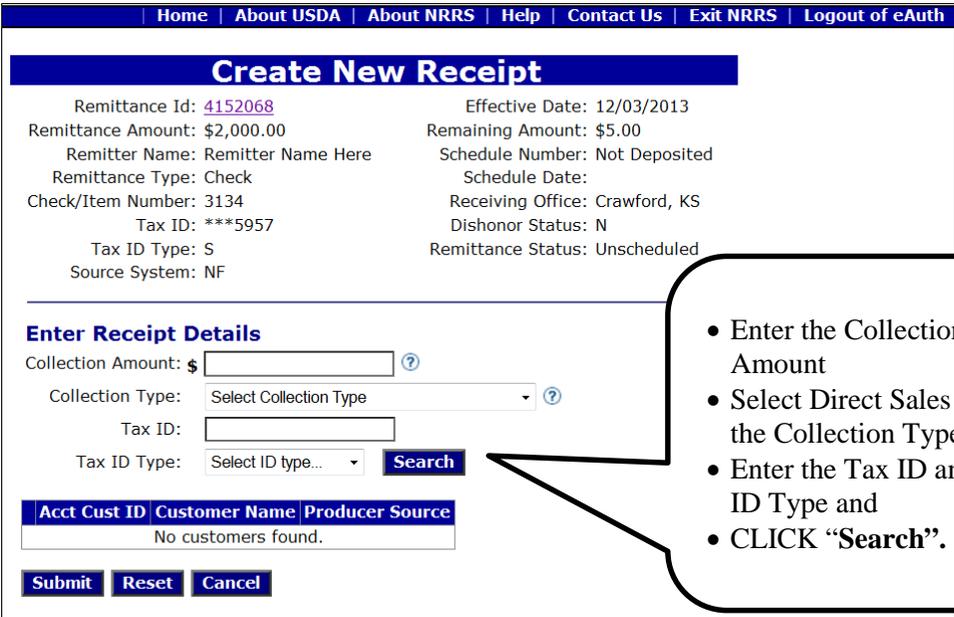**1   Refund Scenarios (Continued)**

B   Entering Collections With Refunds Less Than $10 (Continued)

To process a refund less than $10, follow these steps:

Step	Action
1	From the NRRS Homepage, under "Remittances", CLICK "**Manage/Search Remittance**". Under "Unscheduled Remittances", CLICK applicable "**Remittance Id**". Under "Unscheduled Remittances", CLICK applicable "**Remittance Id**".

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2   Refund Scenarios (Continued)

B   Entering Collections With Refunds Less Than $10 (Continued)

Step	Action
2	The Remittance Details Screen will be displayed. Under "Remittances", CLICK "**Create Receipt**".
3	The Create New Receipt Screen will be displayed.

2   Refund Scenarios (Continued)

B   Entering Collections With Refunds Less Than $10 (Continued)

Step	Action
4	The customer information will be displayed in the Create New Receipt Screen. Under "Acct Cust ID/Customer Name/Producer Source", choose the applicable radio button and CLICK "**Submit**".
5	The Enter Direct Sales Program Information Screen will be displayed. From the: • "Program Code" drop-down list, select "**MISCINC**" • "Select State/County" drop-down list, select the applicable State/county. CLICK **"Submit"**.
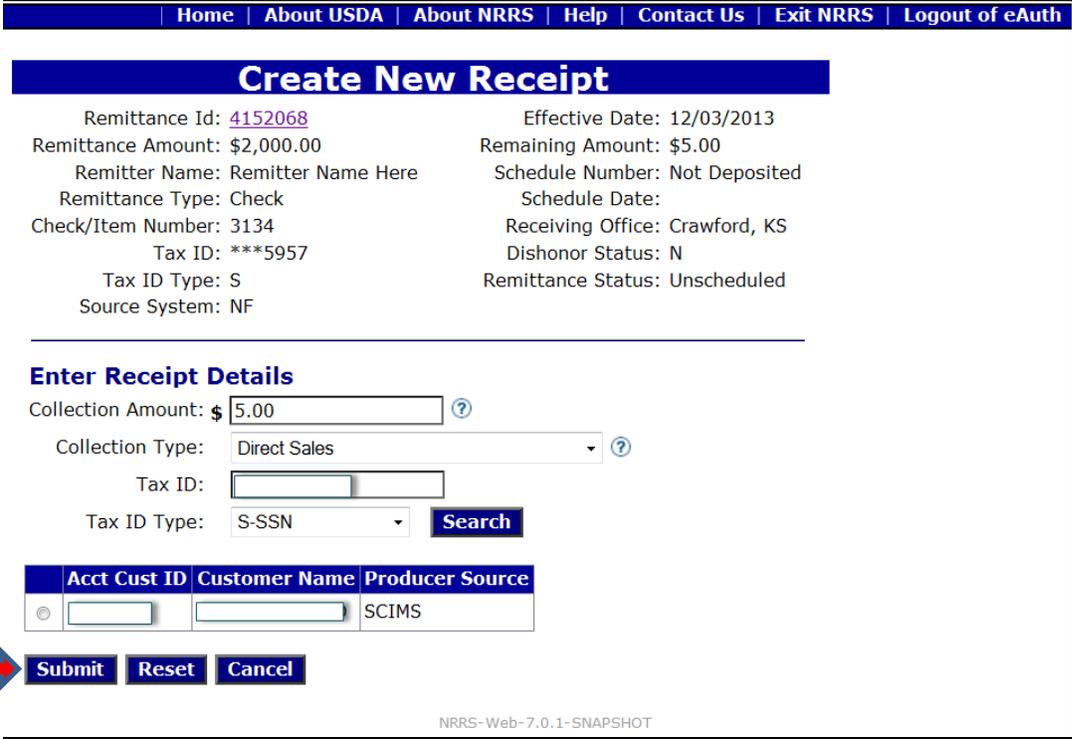
2   Refund Scenarios (Continued)

B   Entering Collections With Refunds Less Than $10 (Continued)

Step	Action
6	The Confirm Direct Sale Screen will be displayed. Review content and CLICK "**Confirm**"
7	The Receipt Successfully Recorded Screen will be displayed. CLICK "**Print Receipt**" to print the receipt for records.
8	When the remittance is in balance, the Schedule of Deposit can be prepared and verified.

2   Refund Scenarios (Continued)

C   Entering Collections With Refunds More Than $9.99

If the remaining amount on the Remittance Detail Screen is greater than $9.99, it should be refunded. Follow the screens in this subparagraph.

Step	Action
1	From the NRRS Homepage, under "Remittances", CLICK "**Manage/Search Remittance**". Under "Unscheduled Remittances", CLICK the applicable "**Remittance Id.**" The Remittance Details Screen will be displayed. **Remittance Details** Home | About USDA | About NRRS | Help | Contact Us | Exit NRRS | Logout of eAuth Remittances: Create Receipt, Adjust Remittance, Refund, Add Remarks, View History, Print/View Details, Main Menu Go To: NPS, OLP, eFMS, FSA-FS, FI Remittance Id: 4152068 — Effective Date: 12/03/2013 Remittance Amount: $2,000.00 — Remaining Amount: $500.00 Remitter Name: Remitter Name Here — Schedule Number: Not Deposited Remittance Type: Check — Schedule Date: Check/Item Number: 3134 — Receiving Office: Crawford, KS Tax ID: ***5957 — Dishonor Status: N Tax ID Type: S — Remittance Status: Unscheduled Source System: NF **Receipts** ID: 4039013 | Collection Type: Price Support Farm Storage Facility Loans | Amount: $1,500.00 **External Receipts** ID | Source System | Amount No External Receipt exists NRRS-Web-7.0.1-SNAPSHOT

2   Refund Scenarios (Continued)

C   Entering Collections With Refunds More Than $9.99 (Continued)

Step	Action
2	Under "Remittances", CLICK "**Refund**". The Refund Remaining Remittance Amount Screen will be displayed. | Home | About USDA | About NRRS | Help | Contact Us | Exit NRRS | Logout of eAuth | **Refund Remaining Remittance Amount** Remittance Id: 4152068 Effective Date: 12/03/2013 Remittance Amount: $2,000.00 Remaining Amount: $500.00 Remitter Name: Remitter Name Here Schedule Number: Not Deposited Remittance Type: Check Schedule Date: Check/Item Number: 3134 Receiving Office: Crawford, KS Tax ID: ***5957 Dishonor Status: N Tax ID Type: S Remittance Status: Unscheduled Source System: NF A refund for the remaining remittance amount of $500.00 will be created. Alternate Payee? ○ Yes ● No Remarks (limit 255 characters): Confirm Cancel **Notes:** The refund will be created for the difference between the remittance and receipts (shown as the Remaining Amount on the Remittance Detail Screen). The refund will go to the Tax ID input for the remitter. If the refund should go to someone else, in the "Alternate Payee" field, select "Yes". If there is an alternate payee (the refund is because a Tax ID other than the one used on the remittance), CLICK "**Yes**" and include the name and address for the payee to receive the refund in the remarks; otherwise, CLICK "**No**". If users click "Yes", the system sends a payable to Manual Handling in NPS for adding the payee information to the payable. The user **must** enter remarks in the "Remarks" field.

2   Refund Scenarios (Continued)

C   Entering Collections With Refunds More Than $9.99 (Continued)

Step	Action
3	The Remittance Details Screen will be displayed. The message, "Refund was successfully created for the remittance." will be displayed. The Schedule of Deposit may now be prepared and verified, which will create the refund and transmit it to NPS when eligible.
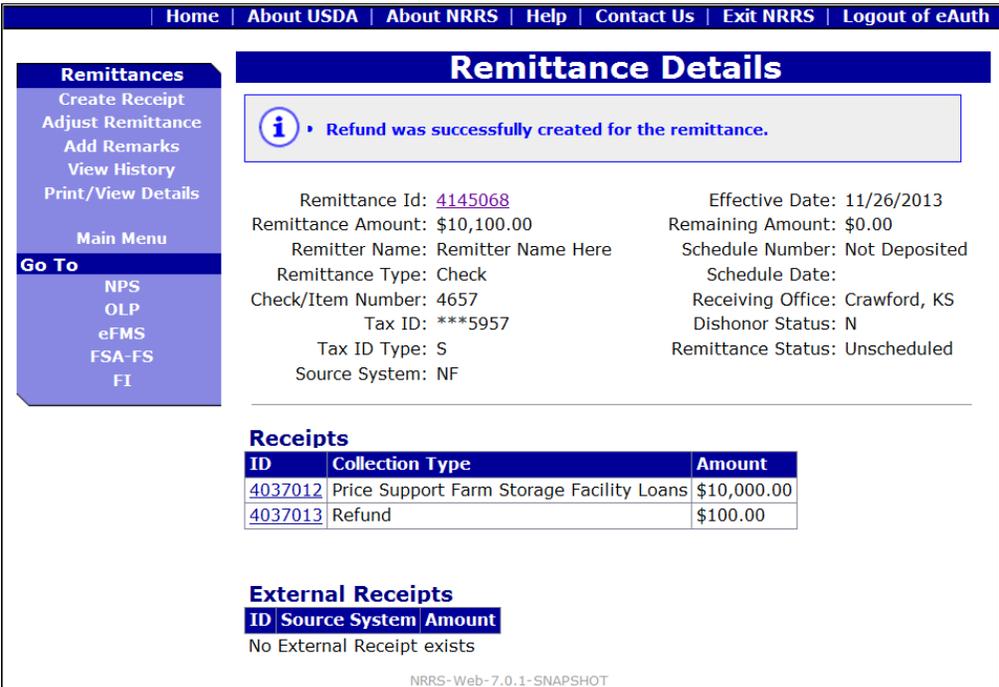
3   Actions for Refunds Identified After a Remittance Has Been Verified

A   Activate the Remittance

To create a refund for a remittance after it has been verified on a schedule, the remittance **must** be activated. "Activated" means the remittance is available to make corrections.

Note: Once the refund has been created, the remittance **must** be deactivated to update remittance and send the refund to NPS. The refund will not appear in NPS immediately because it must transmit to NPS through an overnight batch process.

Activate a remittance according to this table.

Step	Action
1	From the NRRS Homepage, under "Remittances", CLICK "**Manage/Search Remittance**". In this example, remittance ID 4145069 is entered in the "Remittance ID" field. CLICK "**Search**". The Manage/Search Remittances Screen will be redisplayed with search results. Click the applicable "**Remittance Id**" link.

3   Actions for Refunds Identified After a Remittance Has Been Verified (Continued)

   A   Activate the Remittance (Continued)

Step	Action
2	The Remittance Details Screen will be displayed. Under "Remittances", CLICK "**Activate**".
3	The message "Remittance has been activated" will be displayed. Remittance status will show "Active-Verified."

3   Actions for Refunds Identified After a Remittance Has Been Verified (Continued)

B   Delete the Receipt

A remittance may have multiple receipts; delete only the receipt that requires a refund. If the receipt was originally created in NRRS, contact the State Office and request that the receipt be deleted because a refund is due. Provide the receipt ID in the request.

If the receipt was originally created as an external receipt, the County Office **must** delete the receipt from the originating software (CLP, DLS, NAP, etc.).

Deleting the receipt will remove it from the Remittance Details Screen and the screen will reflect a remaining amount for the amount of the deleted receipt.

If the refund is for the entire amount of the receipt, click "Refund" and follow instructions in subparagraph 2 B.

If a partial refund is required, the County Office must first create a new receipt for the amount to be applied to the program or loan. Create the new receipt in NRRS.
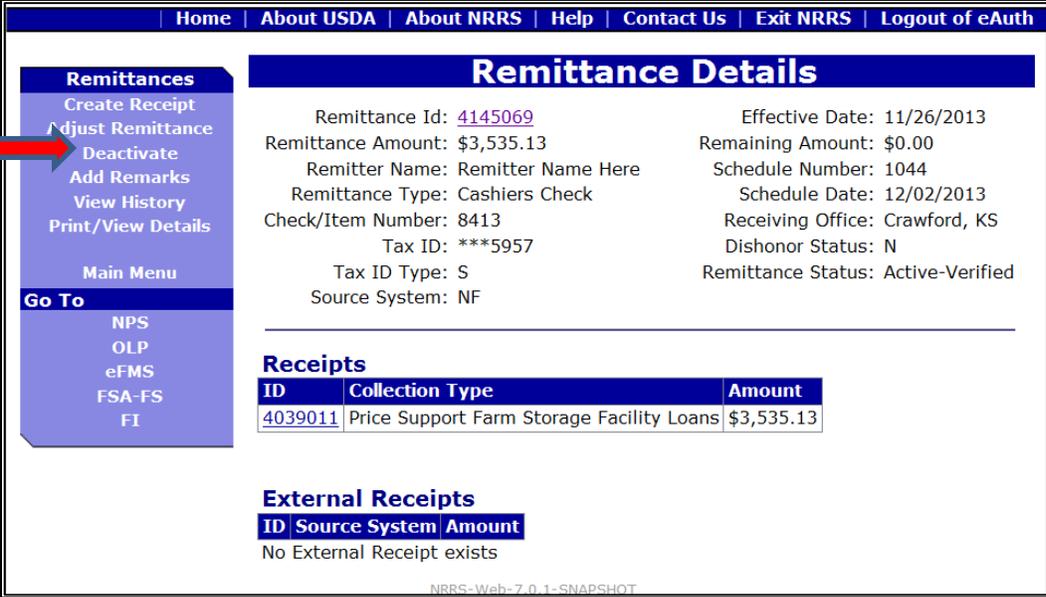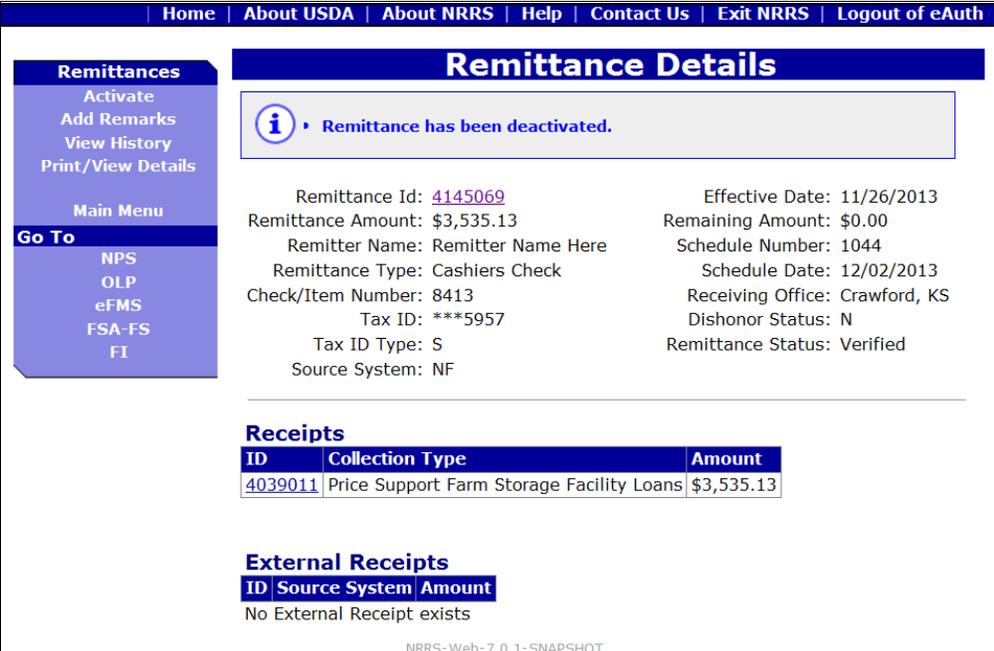
If the replacement receipt must be created in the external software, ensure that the remittance information is exactly the same as on the original remittance, including the effective date, remittance amount, check/item number, and tax ID. Once the replacement external receipt has been created, return to NRRS and ensure that the receipt has attached to the original remittance. There should be a remaining amount showing on the Remittance Details Screen, and the County Office can then click "Refund," and follow instructions in subparagraph 2 B to complete the refund receipt. If the replacement receipt did not attach to the original remittance or the remittance does not show a remaining amount, contact the help desk for assistance at 800-255-2434.

3   Actions for Refunds Identified After a Remittance Has Been Verified (Continued)

C   Deactivate the Remittance

To "Deactivate" the remittance use the following steps.

Step	Action
1	After all required remittance changes have been made, under "Remittances" on the Remittance Detail Screen, CLICK "**Deactivate**".
2	The message "Remittance has been deactivated" will be displayed.

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3   Actions for Refunds Identified After a Remittance Has Been Verified (Continued)

D   Corrections and Refunds

Refunds of Treasury or NPS offsets generally require a systems data change request in NRRS and will only be processed by the Receivable Management Office upon receipt of a Remedy request from the National Help desk. Documentation for refunds should include:

- the State and county ID
- customer name
- NRRS receipt ID number
- NRRS receivable ID number
- original program
- original offset amount
- the amount of the refund requested.

Note: If the refund is requested as a result of relief granted upon appeal of a debt that has been paid in full, documentation must include the document (minutes or letter) that granted the relief.

3   Actions for Refunds Identified After a Remittance Has Been Verified (Continued)

E   Refund Status

Once a refund has been submitted in NRRS, the refund receipt will show details on the refund, including status.

3   Actions for Refunds Identified After a Remittance Has Been Verified (Continued)

E   Refund Status (Continued)

The following table identifies the associated refund statuses

Status	Description	Action Needed
Pending	The receipt has been created.	The remittance **must** be placed on a schedule and the schedule shall be verified.
Ready to Transmit	The receipt is ready to transmit to NPS when eligible. Remittance types check and joint check require a 5-workday hold (weekends and holidays do not count). Other types should be in NPS the day after the remittance has been verified. If remittance was verified late in the afternoon, an extra day may be required.	If the refund is not in NPS when expected, review the status on the receipt. If the refund still shows "Ready to Transmit" and more than 6 workdays have passed, contact the National help desk for a Remedy ticket.
Successful	The refund has passed to NPS and has a payable ID assigned.	Check NPS in either the manual handling or the certification worklist. If not found, contact the National help desk for assistance.
Failed	The refund has a flaw, such as an error in the payee's information in Financial Services, and is "stuck" in NRRS.	Check Business Partner to ensure that all information is correct, then contact the National help desk for a Remedy ticket.
In transit	Very rare; users should not see this status displayed.	Contact the National help desk for a Remedy ticket.