

For: State and County Offices

Farm Storage Facility Loan (FSFL) Software Changes for Centralized Check Writing

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

County Release No. 655 was mailed on December 1, 2008, and included enhancements to FSFL software on System 36.

After installing Release No. 655, all FSFL payment requests will be routed to the web-based NPS application. Checks for FSFL disbursements will be issued by Treasury and mailed from a Treasury Facility central location. Loan transaction statements will be mailed from a central location. For FSFL direct deposit disbursements, the **only** change will be how the payment is processed in County Offices.

General policies and procedures for FSFL are found in 1-FSFL.

B Purpose

This notice provides State and County Offices with instructions for the following:

- disbursing completed FSFL's from this point forward including FSFL's:
 - disbursed by direct deposit or check made out to the borrower **only**
 - requiring checks made out to the borrower and unpaid contractors
- the new Start-of-Day Report VFB405-R001, "FSFL Program Reminders"
- canceling a disbursed FSFL.

Disposal Date	Distribution
October 1, 2009	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

C Contacts

For questions about this notice, State Offices shall contact the following for:

- for **policy**, DeAnn Allen by either of the following:
 - e-mail to **deann.allen@wdc.usda.gov**
 - telephone at 202-720-9889
- for **automation**, Asime Atuboyedia by either of the following:
 - e-mail to **asime.atuboyedia@wdc.usda.gov**
 - telephone at 202-720-8223
- for **NPS**, Jackie Pickens by either of the following:
 - e-mail to **jackie.pickens@wdc.usda.gov**
 - telephone at 703-305-1310.

2 Action

A County Office Action

County Offices shall continue using System 36 FSFL software to process FSFL's. The following processes have been revised or added:

- Note and Security Agreement Processing (Menu VCA005)
- Payment Requests (formerly Disbursement Functions on Menu VCA005)
- Start-of-Day Report VFB405-R001, "FSFL Program Reminders".

B State Office Action

State Offices shall ensure that all County Offices:

- continue to enter CCC-185's, submit requests for obligations based on COC approvals, and process increases and decreases in obligations following current 1-FSFL instructions
- follow this notice for FSFL closings and payment requests (formerly disbursements), based on changes required to meet the new centralized check writing process objectives
- monitor the new Report VFB405-R001, "FSFL Program Reminders", that prints during Start-of-Day processing that lists FSFL's with payment requests submitted to Treasury, but **not** yet closed

Note: DD's shall review Report VFB405-R001 monthly.

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3 FSFL Disbursements With Check Centralization

A FSFL Disbursement Options

County Release No. 655 changed the way County Offices disburse FSFL's. The following 2 options are available for disbursing FSFL's:

- closing then immediately requesting FSFL disbursement with FSFL proceeds made out to contact borrower **only** (disbursement option 1)
- submitting the request for a check and closing FSFL once the check is received in the County Office (disbursement option 2).

The entire FSFL disbursement **must** be made by:

- electronic funds transfer or check to the contact borrower (disbursement option 1)
- check to the borrowers and/or other payees (disbursement option 2).

Note: These are the **only** 2 options available for FSFL disbursements and FSFL closing. **No other disbursement options are authorized.**

B Closing FSFL's Followed by FSFL Disbursements - Disbursement Option 1

Closing FSFL then immediately requesting FSFL disbursement is used when the disbursement proceeds will be made **only** to the contact borrower. Disbursement option 1's process is similar to how FSFL proceeds were disbursed before check centralization, **except** the County Office will **no** longer print FSFL transaction statement or check because the request for payment will be transmitted to NPS; see paragraph 4.

IF the...	THEN NPS will...
FSFL disbursement will be by direct deposit	deposit FSFL proceeds in the borrowers account within the specified time period.
borrower does not have direct deposit	send a request to Treasury to disburse a check. The check will be mailed to the borrower.

C Submitting Payment Requests Before FSFL Closings - Disbursement Option 2

If the disbursement **must** be made to multiple parties, including lien holders or contractors, County Offices can request Treasury checks **before** closing FSFL. The checks will be mailed to the County Office where CCC-186 will be prepared and FSFL closed. The County Office will enter FSFL closing date; interest on FSFL will start on that date. The checks will be given to the borrower at FSFL closing; see paragraph 5.

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4 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests

A Sequence of Steps To Be Followed

Disbursement option 1 is for FSFL's that will be closed and followed immediately by the payment request. The option for adding an additional payee or modifying the mailing address is **not** currently available.

If there are **no** alternate payees; that is vendors are all paid, County Offices **must** take the following steps, **in sequence**, from Menu VCA005:

- “2”, “Note and Security Agreement Processing”, to close FSFL; see subparagraph B
- “3”, “Payment Requests”, to initiate payment requests; see subparagraph C
- access NPS to certify and sign payment requests; see subparagraph D.

Notes: Contact borrowers will receive the entire disbursement either by automated clearing house (ACH) or check mailed from Treasury directly to the borrowers address in the Service Center Information Management System (SCIMS).

Interest Start Date (date FSFL closed) is software controlled.

B Closing FSFL's, CCC-186 Processing

On Menu VCA005, option “2” is to be taken if FSFL will be closed **immediately** after CCC-186 is printed. Therefore, the County Office **must** close and disburse FSFL on the **same day**.

Note: Using option 2, the Interest Start Date on both the Amortization Schedule and CCC-186 will be calculated by the software, and will automatically **allow 2 workdays** before interest begins on FSFL. This allows time for Treasury to disburse the payment directly into the contact borrower's account, or to mail the check and loan transaction statement directly to the contact borrower, if **no** ACH account. County Offices should review and verify this date with borrower.

The FSFL Amortization Schedule and CCC-186 closing processes are prepared on System 36 according to the following.

Step	Action
1	On Menu VCA005 , Facility Loans Menu, ENTER “2”, “Note and Security Agreement Processing”, PRESS “ Enter ”.
2	On Screen VCA11000 , Facility Loans - ID Entry, enter fiscal year and FSFL number. PRESS “ Enter ”.
3	On Screen VCA11500 , Facility Loans - Show Applicants, select producer. PRESS “ Enter ”.
4	On Screen VCA12000 , Facility Loans - Verify Chosen Producer, verify correct applicant. PRESS “ Enter ”.

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4 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests

B Closing FSFL's, CCC-186 Processing (Continued)

Step	Action	
5 <u>1</u> /	On Screen VFB10000 , Farm Storage Facility Loan Program, no modifications are allowed; Screen VFB10000 is a warning screen for the user to verify the funded amount.	
	IF...	THEN PRESS...
	incorrect	" CMD7 "; see 1-FSFL, paragraph 334 for steps to correct funded amount.
	correct	" Enter ", to continue with closing.
6 <u>1</u> /	On Screen VFB10100 , Verification of Funded Amount, no modifications are allowed. PRESS " Enter " to continue with closing.	
7 <u>1</u> /	On Screen VFB10200 , Close and/or Request Payment, answer the question, "Do you want to close this loan now? (Y or N)".	
	IF user...	THEN...
	wants to complete FSFL closing immediately (the same as before centralized check writing)	ENTER " Y ", PRESS " Enter ", and go to step 8; see Exhibit 1.
	wants to request payment before closing FSFL (disbursement option 2)	ENTER " N " and PRESS " Enter "; see paragraph 5 and Exhibit 3.
	does not want to close FSFL or request payment now	PRESS " Cmd7 " to exit closing FSFL's.
8 <u>1</u> /	On Screen VFB10300 , FSFL - Additional Borrowers, answer the question, "Are additional borrowers required to sign the CCC-186 Note and Security Agreement? (Y or N)".	
	Note: FSFL proceeds will be issued only to the contact borrower under disbursement option 1, even if additional borrowers are entered.	
	IF...	THEN ENTER...
	user wants to add borrowers to CCC-186	" Y " and PRESS " Enter ".
	there are no other borrowers	" N " and PRESS " Enter ".
9 <u>1</u> /	On Screen VFB13000 , Farm Storage Facility Loan Program, answer the question, "Do you wish to print an additional copy of the Amortization Report?" ENTER " Y " or " N ". PRESS " Enter ".	
	Note: The date on FSFL Amortization Report will be the date the report is prepared.	
10	On Screen VCA97000 , FSFL Printer ID Selection, change printer ID, if needed. PRESS " Enter ". FSFL Amortization Report will print.	
11 <u>1</u> /	On Screen VFA17005 , Farm Storage Facility Loan Program, answer the question, "Do you wish to complete this process? (Y or N)". ENTER " Y " and PRESS " Enter ".	
12	On Screen VCA97000 , FSFL Printer ID Selection, change printer ID, if needed. PRESS " Enter ". CCC-186 will print.	
13	On Screen VCE99910 , Farm Storage Facility Loan Program, answer the question, "Do you want to reprint this form? (Y or N)".	
	IF...	THEN ENTER...
	user wants to reprint CCC-186	" Y ".
	CCC-186 printed correctly and another copy is not needed	" N ".
	This completes FSFL closing process. Users are locked out of the closing process for FSFL. Menu VCA005 will be displayed.	
	Note: Users must immediately disburse FSFL. On Menu VCA005 , ENTER " 3 ", "Payment Requests", and PRESS " Enter "; see subparagraph C.	

1/ This step allows users to exit the closing process, and correct the funding obligation **before** completing the closing process, to ensure that FSFL's are disbursed with the correct dollar amounts. If County Offices exit the closing process, to re-access, on **Menu VCA005**, ENTER "**2**" and PRESS "**Enter**".

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4 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests (Continued)

C Processing Payment Requests Before NPS Cutoff

The payment **must** be:

- requested **immediately** after completing the closing process in subparagraph B, step 13
- submitted to NPS; on **Menu VCA005**, ENTER “3”, “Payment Requests”
- completed **before** the NPS **3 p.m. c.t. cutoff**.

The payment request for FSFL closed is submitted to NPS according to the following.

Step	Action
1	On Menu VCA005 , ENTER “3”, “Payment Requests”. PRESS “ Enter ”.
2	On Screen VCA11000 , Facility Loans - ID Entry, enter fiscal year and FSFL number. PRESS “ Enter ”.
3	On Screen VCA11500 , Facility Loans - Show Applications, select producer. PRESS “ Enter ”.
4	On Screen VCA12000 , Facility Loans Verify - Chosen Applicant, verify correct applicant. PRESS “ Enter ”.
5	On Screen VFC10000 , FSFL Payment Requests, complete Lien Search Dates, UCC-1 Financing Statement Filing Date, and Real Estate Mortgage Filing Date, if applicable. PRESS “ Enter ”.
6	On new Screen VFC10010 , FSFL Payment Requests, the payable for disbursement will be listed. Since the closing is already completed, there are no alternate payees and this is not a joint payment, only the borrower will be listed. The user cannot change any entries on this screen. PRESS “ Enter ” to continue; see Exhibit 2.
7	On Screen VFA17005 , answer the question, “Do you wish to complete this process? (Y or N)”. ENTER “ Y ”. PRESS “ Enter ”. This process provides payment data to NPS. Note: There may be a delay of more than 20 minutes before the payment becomes available in NPS.
8	Menu VCA005 will be displayed.

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4 Disbursement Option 1 - Closing FSFL's Followed by Submitting Payment Requests (Continued)

D Certifying and Signing Payment Requests in NPS

After submitting a payment request according to subparagraph C, the County Office **must** access NPS for certification and signing for release to Treasury **before** the 3 p.m. c.t. cutoff the **same day**.

Note: There may be a delay of more than 20 minutes before the payment becomes available in NPS to certify and sign.

After closing FSFL, process the payment request and, **before 3 p.m. c.t. the same day** according to Notice FI-2877, do the following:

- access NPS
- select the appropriate payment on the worklist
- certify and approve the payment request
- send to signing worklist
- complete signing process.

The FSFL Amortization Schedule and CCC-186 are completed with a pre-calculated Interest Start Date (anniversary date), beginning on the third workday after FSFL is closed; see subparagraph B. The certification and signing process **must** be performed the **same day** as the closing to ensure that the disbursement from Treasury is timed to coincide with that interest start date.

Note: The cutoff time for payments to enter the processing cycle for that day is 3 p.m. c.t. If payables are **not** certified and signed by 3 p.m. c.t., the payments will be delayed. Interest will start on the third workday whether the payments were certified and signed at 1 p.m. or 4 p.m. c.t.

5 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's

A Sequence of Steps to be Followed

Disbursement option 2 will be used when a check is made out to the program participant and contractors or vendors. This option will be used to initiate special processing for payment requests where checks are to be prepared **before** closing FSFL and the checks are mailed to the County Office address. This process is triggered by a "Forced Check Indicator" (FCI) in FSFL software. In addition, a process titled, "Alternate Payee Indicator" (API) is incorporated into FSFL software, and triggered when checks **must** be made out to other payees in addition to the customer (borrower) who earned the payment.

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5 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

A Sequence of Steps to be Followed (Continued)

If there are alternate or joint payees; such as vendors **not** all paid, County Offices **must** take the following steps, **in sequence**, from Menu VCA005:

- “2”, “Note and Security Agreement Processing” to start closing process; see subparagraph B
- “3”, “Payment Requests” to request payment; see subparagraph C
- access NPS to certify and sign payment requests; see subparagraph D and Notice FI-2877
- “2”, to re-access and complete FSFL closing on the scheduled closing date **after** checks are received; the Interest Start Date (date FSFL closed) **must** be manually entered; see subparagraph E.

Note: County Office will receive checks from Treasury and loan transaction statements from NPS. County Office **must** arrange date for closing when checks and transaction statements have both been received. Re-accessing “2” will **not** be allowed until at least 3 workdays have passed since certification and signing of payment requests were completed in NPS. This is to allow time for Treasury to process and mail checks to the County Office.

Payments with more than 1 payee listed, in:

- FSFL system are referred to as “joint payments”
- NPS are referred to as “alternate payees”.

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5 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

B Starting FSFL Closings, CCC-186 Processing

To be able to request checks **before** FSFL closing has been completed, County Offices **must** start FSFL closing process; on **Menu VCA005**, ENTER “**2**” and PRESS “**Enter**”. FSFL closing is **only** being initiated; it will **not** be completed at this time. Follow these steps.

Step	Action	
1	On Menu VCA005 , Facility Loans Menu, ENTER “ 2 ”, “Note and Security Agreement Processing”. PRESS “ Enter ”.	
2	On Screen VCA11000 , Facility Loans - ID Entry, enter fiscal year and FSFL number. PRESS “ Enter ”.	
3	On Screen VCA11500 , Facility Loans - Show Applicants, select producer. PRESS “ Enter ”.	
4	On Screen VCA12000 , Facility Loans - Verify Chosen Producer, verify correct applicant. PRESS “ Enter ”.	
5 <u>1</u> /	On Screen VFB10000 , Farm Storage Facility Loan Program, no modifications are allowed; Screen VFB10000 is a warning screen for the user to verify the funded amount.	
	IF...	THEN PRESS...
	incorrect	“ CMD7 ”; see 1-FSFL, paragraph 334 for steps to correct the funded amount.
	correct	“ Enter ”, to continue with closing.
6 <u>1</u> /	On Screen VFB10100 , Verification of Funded Amount, no modifications are allowed. PRESS “ Enter ” to continue.	
7 <u>1</u> /	On Screen VFB10200 , Close and/or Request Payment, answer the question “Do you want to close this loan now? (Y or N)”. ENTER “ N ” allowing the user to request checks before FSFL closing. Users must ENTER “ N ” to receive checks before closing. PRESS “ Enter ”; see Exhibit 3.	
	Note: “Y” must not be entered. If users enter “ Y ”, FSFL will be closed at this time and the check will not be sent to the County Office for closing at a later date.	
8	On Screen VFA17005 , Farm Storage and Facility Loan Program, answer the question “Do you wish to complete this process? (Y or N)”. ENTER “ Y ”. PRESS “ Enter ”.	
9	Menu VCA005 will be displayed.	

1/ This step allows users to exit the closing process, and correct the funding obligation **before** completing the closing process, to ensure that FSFL's are disbursed with the correct dollar amounts. If County Offices exit the closing process, to re-access, on **Menu VCA005**, ENTER “**2**” and PRESS “**Enter**”.

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5 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

C Completing Payment Requests

Under disbursement option 2, the County Office requests the checks be sent directly to their office **before** closing FSFL. To request checks be mailed to the County Office, FCI **must** be triggered in the FSFL software.

To submit payment requests to NPS for forced checks for this FSFL, County Offices **must**, on **Menu VCA005**, ENTER “3”, “Payment Requests”. This process will allow the user to:

- access Screen VFC10010, FSFL Payment Requests
- enter up to 20 different payables amounts
- indicate whether each payable will be a joint payment
- ensure that the total dollar amount of all payable amounts entered equals the Payment Requests Total displayed on Screen VFC10010
- provide a warning message and **not** allow the process to continue if the amounts entered do **not** equal the Payment Requests Total displayed on Screen VFC10010
- pass the data to NPS when complete; alternate payee name, address, and other needed data will be entered when the user accesses NPS for the certification and signing process on each payable.

Note: This payment request process does **not** allow name and address entries on Screen VFC10010. Users will make those freeform entries in NPS for the payments where the joint payment indicator was “Y”.

Use the following action table to complete the payment requests.

Step	Action
1	On Menu VCA005 , ENTER “3”, “Payment Requests”. PRESS “ Enter ”.
2	On Screen VCA11000 , Facility Loans - ID Entry, enter fiscal year and FSFL number. PRESS “ Enter ”.
3	On Screen VCA11500 , Facility Loans - Show Applications, select producer. PRESS “ Enter ”.
4	On Screen VCA12000 , Facility Loans -Verify Chosen Applicant, verify correct applicant. PRESS “ Enter ”.
5	On Screen VFC10000 , FSFL Payment Requests, enter Lien Search Dates, UCC-1 Financing Statement Filing Date, and Real Estate Mortgage Filing Date, if applicable. PRESS “ Enter ”.

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5 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

C Completing Payment Requests (Continued)

Step	Action
6	<p>On new Screen VFC10010, FSFL Payment Requests, the payables for disbursement are listed.</p> <p>Since the closing is not completed, it is assumed there are joint payments or what NPS refers to as alternate payees. The user may change the amount of the payable defaulted and make additional entries for payables on this screen; see Exhibit 4.</p> <p>Screen-print this screen to help identify payments in NPS.</p> <p>When complete, answer the question, "Do you have more payables to enter? (Y or N)". ENTER "N". PRESS "Enter".</p>
7	<p>On Screen VFA17005, answer the question, "Do you wish to complete this process? (Y or N)". ENTER "Y". PRESS "Enter" to complete this process and provide the payment data to NPS.</p>
8	<p>After several messages indicating the Data Control System is verifying information, Menu VCA005 will be displayed.</p> <p>On Menu VCA005, re-accessing options "2" and "3" will not be allowed until at least 3 workdays have passed since certification and signing of payment requests were completed in NPS. This is to allow time for Treasury to process and mail checks to the County Office.</p> <p>When checks arrive in the County Office, and after at least 3 workdays, County Offices must re-access Menu VCA005, option "2", to complete the closing according to subparagraph E.</p>

D Certifying and Signing Payment Requests in NPS

After submitting payment requests (subparagraph C), County Office **must** access NPS to:

- enter payee information for each payable; see Notice FI-2877, paragraph 3
- complete certification and signing for each payable.

Note: If payables are **not** certified and signed **before** the 3 p.m. c.t., cutoff time for payments, the payments will be delayed.

Note: **After at least 3 workdays**, software will allow re-access to option "2", "Note and Security Agreement Processing", to complete FSFL closing process. County Offices are **not** to access option "2" for this FSFL for **at least 3 workdays**.

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5 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

E Re-Accessing FSFL Closings to Complete FSFL's

When the County Office receives the checks, they **must** immediately schedule a closing date with the borrowers. After at least 3 workdays **and** when the Treasury checks have been received in the County Office, on Menu VCA005, re-access option "2", "Note and Security Agreement Processing".

FSFL closing shall be completed within 21 calendar days of payment request certification and signing in NPS.

Note: The County Office **must** manually enter the Interest Start Date for FSFL during the closing process on System 36. This **must** be the date the actual closing takes place and CCC-186 is printed and signed by the borrowers. The **only** date allowed is the current date.

On the day FSFL will be closed, the County Office shall do the following.

Step	Action
1	On Menu VCA005 , ENTER "2", Note and Security Agreement Processing. PRESS "Enter".
2	On Screen VCA110001 , Facility Loans - ID Entry, enter fiscal year and loan number. PRESS "Enter".
3	On Screen VCA11500 , Facility Loans - Show Applicants, select producer. PRESS "Enter".
4	On Screen VCA12000 , Facility Loans - Verify Chosen Applicant, verify correct applicant. PRESS "Enter". Note: If less than 3 workdays have passed since submitting payment requests, the following message will be displayed on Screen VFA6000 , "Closing not allowed until 3 workdays after Payment Request". User must wait until 3 workdays have passed.
5	On Screen VFB10200 , Close and/or Request Payment, answer the question, "Do you want to close this loan now? (Y or N). Note: This defaults to "N" from user's initial access when checks were ordered to have available for closing. To proceed with the closing process, ENTER "Y". PRESS "Enter".

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5 Disbursement Option 2 - Submitting Payment Requests Before Closing FSFL's (Continued)

E Re-Accessing FSFL Closings to Complete FSFL's (Continued)

Step	Action						
6	<p>On Screen VFB10200, Close and/or Request Payment, answer 2 questions as follows:</p> <ul style="list-style-type: none"> “Are additional Borrowers required to sign the CCC-186 Note and Security Agreement? (Y or N)” <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">IF additional borrower signatures are...</td> <td style="width: 50%;">THEN...</td> </tr> <tr> <td>required and users ENTER “Y”</td> <td>users will be allowed to add the additional borrowers.</td> </tr> <tr> <td>not required</td> <td>ENTER “N”.</td> </tr> </table> <ul style="list-style-type: none"> “Interest Start Date is: __/__/__”; enter interest start date. <p>Note: The Interest Start Date must be the date FSFL is closed because this is the date that interest will start. Interest Start Date cannot be a previous or future date.</p> <p>PRESS “Enter” to continue. FSFL Amortization Report will print.</p> <p>Note: A previous or future date is not allowed as the interest start date. The only date allowed is the current date.</p>	IF additional borrower signatures are...	THEN...	required and users ENTER “Y”	users will be allowed to add the additional borrowers.	not required	ENTER “N”.
IF additional borrower signatures are...	THEN...						
required and users ENTER “Y”	users will be allowed to add the additional borrowers.						
not required	ENTER “N”.						
7	On Screen VFB13000 , Farm Storage Facility Loan Program, a summary of payments will be displayed. Answer the question, “Do you wish to print an additional copy of the Amortization Report? (Y or N)”. ENTER “Y” or “N”. PRESS “ Enter ”.						
8	On Screen VCA97000 , FSFL – Printer ID Selection, change printer ID, if needed. PRESS “ Enter ”. FSFL Amortization Report will print.						
9	On Screen VFB16500 , Farm Storage Facility Loan Program, an informational message appears indicating the Amortization Schedule is printing.						
10	On Screen VFA17005 , Farm Storage Facility Loan Program, answer the question, “Do you wish to complete this process? (Y or N)”. ENTER “Y” and PRESS “ Enter ”.						
11	On Screen VCA97000 , FSFL Printer ID Selection, change printer ID, if needed. PRESS “ Enter ”.						
12	<p>On Screen VCE99910, Farm Storage Facility Loan Program, answer the question, “Do you want to reprint this form? (Y or N).”</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">IF...</td> <td style="width: 50%;">THEN...</td> </tr> <tr> <td>user wants to reprint CCC-186</td> <td>ENTER “Y” and PRESS “Enter”.</td> </tr> <tr> <td>CCC-186 printed correctly and another copy is not needed</td> <td>ENTER “N” and PRESS “Enter”.</td> </tr> </table> <p>This completes the closing process. Users are locked out of the closing process for FSFL. Menu VCA005 will be displayed.</p>	IF...	THEN...	user wants to reprint CCC-186	ENTER “Y” and PRESS “ Enter ”.	CCC-186 printed correctly and another copy is not needed	ENTER “N” and PRESS “ Enter ”.
IF...	THEN...						
user wants to reprint CCC-186	ENTER “Y” and PRESS “ Enter ”.						
CCC-186 printed correctly and another copy is not needed	ENTER “N” and PRESS “ Enter ”.						

Note: As soon as CCC-186 is signed by the borrowers, FSFL is considered closed and disbursed. Provide the checks to appropriate parties.

Notice FSFL-53

6 New FSFL's Not Closed Report

A What Causes Report VFB405-R001 to Print

Report VFB405-R001, "FSFL Program Reminders", has been developed to monitor and remind County Offices that they have made payment requests for FSFL, but have **not** yet completed the closing processes (disbursement option 2). Report VFB405-R001 that lists these FSFL's will print during Start-of-Day. If there are **no** FSFL's in this status, Report VFB405-R001 will **not** print. When FSFL on Report VFB405-R001 is closed, FSFL will **no** longer be displayed on the list.

Note: FSFL's closed followed by a payment request (disbursement option 1) will **not** be listed on Report VFB405-R001.

County Offices shall use Report VFB405-R001 to ensure that they do the following:

- receive the checks printed and mailed directly to the County Office by Treasury based on the payment requests submitted
- receive FSFL transaction statement that will be mailed directly to the County Office
- schedule FSFL closing within 21 calendar days from the date the initial payment request was submitted (certified and signed) through NPS.

DD's shall review Report VFB405-R001 monthly.

B Example Report VFB405-R001

This is an example of Report VFB405-R001 that lists FSFL's on the basis of the date the payable was certified and signed in NPS.

IOWA WILLIAMS Report ID: VFB405 – R001	U.S. Department of Agriculture Commodity Credit Corporation FSFL Program Reminders As Of 01/05/2009		
As of today, payment requests or check disbursements for the following FSFL loans have been processed but FSFLs are not yet Closed.			
<u>FSFL Loan No</u>	<u>Date Payable to NPS</u>	<u>Days left to Close</u>	<u>Disb Amt</u>
2008/00030	12/12/2008	0 (3*)	80,050.00
2009/00002	12/18/2008	3	89,000.00
2009/00007	12/23/2008	9	69,999.99
2008/00008	01/02/2009	18	21,250.00
* = Number of days since Payment Request submitted			
HAVE YOU RECEIVED THE CHECKS FOR ANY OF THESE LOANS? IF YES, TAKE IMMEDIATE ACTION TO ARRANGE A CLOSING WITH THE BORROWERS (AND ATTORNEY IF NEEDED) within the 21 day time limit as indicated above?			
IF YOU HAVE NOT RECEIVED A CHECK, PLEASE REVIEW THE BORROWER'S ACCOUNT UNDER FINANCIAL SERVICES ON THE FSA INTRANET PAGE TO DETERMINE WHETHER THE CHECKS HAVE BEEN ISSUED BY THE US TREASURY!			
WHEN YOU COMPLETE THE CLOSING, FSFL WILL NO LONGER APPEAR ON THIS LIST.			

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6 New FSFL's Not Closed Report (Continued)

B Example Report VFB405-R001 (Continued)

Note: The example Report VFB405-R001 includes FSFL that has passed the 21 calendar day timeframe for closing. This FSFL is designated by 0(NN*) in the Days Left to Close column. The Days Left to Close column displays the actual number of days remaining since the payment request was certified and signed in NPS, with the number of days over the 21 calendar day timeframe in parenthesis.

If checks and loan transaction statements are **not** received by the County Office in a timely manner, the County Offices **must** contact their State Office to determine whether the checks were lost in transit. State Office personnel will follow current FMD procedure for handling these situations. County Office personnel **must** be pro-active in tracking these FSFL's to ensure that checks and loan transaction statements are received timely and closings are completed within the 21 calendar day timeframe.

For FSFL's where the checks were received by the County Office, but the borrower has decided **not** to proceed with FSFL, the County Office **must** take action to cancel FSFL. See subparagraph 7 B for instructions on canceling FSFL's after checks have been written.

7 FSFL Disbursement Corrections

A Disbursement Corrections for FSFL's That Will Be Re-Issued

FSFL corrections will be processed in APSS; however, users **must** ensure that a receivable is created in NPS if the initial FSFL proceeds were certified and signed in NPS. A receivable will **not** be established if FSFL has **not** been signed and certified in NPS.

The following steps **must** be followed to correct FSFL transactions.

Step	Action
1	Cancel FSFL disbursement and/or closing in APSS according to 1-FSFL, subparagraph 440 A, and create an overpayment receivable, if FSFL was signed and certified in NPS.
2	Identify if the receivable has been established. This can be verified on the Receivable Report on the Intranet Debt Data Mart. A forthcoming FI notice will provide instructions for obtaining the Receivable Report.
3	Receivable will be established for offset in NPS.

Notice FSFL-53

7 FSFL Disbursement Corrections (Continued)

A Disbursement Corrections for FSFL’s That Will Be Re-Issued (Continued)

Step	Action
4	<p>Process the corrected FSFL in APSS. In FSFL System 36 APSS software, if CCC-186 was printed, the entire FSFL will need to be cancelled. The County Office will then need to re-enter, approve, and receive an obligation for a new FSFL.</p> <p>If a new FSFL is entered, County Offices are reminded of the following:</p> <ul style="list-style-type: none"> • the original CCC-185 and approval date shall be entered; the approval date determines the interest rate and this rate must be the date FSFL was originally approved • request the total amount needed for FSFL even though the amount may not be the same as the amount originally requested; such as FSFL amount was increased or decreased after final bills were received.
5	Payment information will be replicated from System 36 to NPS.
6	Payment request will appear on the appropriate NPS worklist.
7	Through NPS, the payment will be offset to pay off receivable, as applicable. The payment will then be certified.
8	Payment will be routed to the signing worklist to be signed.
9	<p>If the corrected FSFL results in an:</p> <ul style="list-style-type: none"> • overpayment, an additional disbursement shall be issued accordingly • underpayment, a demand letter shall be issued for remaining balance.

County Offices shall ensure that a receivable is present in NPS **before** processing a disbursement on the new FSFL.

Note: Debt Management Reports will be available, listing these receivables. A forthcoming FI notice will be issued with instructions for obtaining Debt Management Reports.

In the FSFL System 36 APSS software, if a CCC-186 has been generated and later cancelled, a new FSFL **must** be recorded. APSS will **not** allow corrections once CCC-186 has been generated.

If CCC-186 was printed for FSFL, but the payment was **not** requested, FSFL can be deleted according to 1-FSFL, subparagraph 319 F.

Notice FSFL-53

7 FSFL Disbursement Corrections (Continued)

B Disbursement Corrections for FSFL’s That Will Not Be Re-Issued

When a forced checks is received (disbursement option 2) and the borrower informs the County Office they **no** longer want FSFL, follow these steps.

Step	Action
1	<p>County Office shall:</p> <ul style="list-style-type: none"> • write, “VOID” on check and takes a photo copy for the file • mail the check marked, “VOID” to Treasury at the following address: <ul style="list-style-type: none"> • U.S. DEPT OF TREASURY KANSAS CITY FINANCIAL CENTER (KFC) PO BOX 34668-1068 KANSAS CITY MO 64116-1068 • do not use Federal Express to mail checks to Treasury.
2	<p>County Office shall send an e-mail, to both of the following, requesting that the check to be re-issued payable to CCC. The e-mail shall include the producer’s name, check number, and address to send the re-issued check:</p> <ul style="list-style-type: none"> • Rhonda Quinlan at ronda.quinlan@kcc.usda.gov • Mary Grisham at mary.grisham@kcc.usda.gov.
3	<p>County Office shall cancel FSFL according to 1-FSFL, subparagraph 440 A, and create an overpayment receivable.</p>
4	<p>When the overpayment receivable has been created in NPS, and the re-issued check made payable to CCC is received in the County Office, the check must be applied as a collection to the receivable.</p>

Disbursement Option 1 - Screen VFB10200 to Complete FSFL Closings Before Payment Requests

The following example of revised Screen VFB10200, shows how County Offices **must** respond to the question on closing FSFL, if FSFL is to be closed and payment is immediately requested (disbursement option 1).

On **Screen VFB10200**, Close and/or Request Payment, user **must** answer “Y” to allow the closing process to continue; see subparagraph 4 B. Upon completing FSFL closing process, user **must** immediately access the following:

- **Menu VCA005**, “3”, “Payment Requests”, to generate payment data for NPS; see subparagraph 4 C
- NPS to certify and sign the payment request for release to Treasury **before** the 3 p.m. c.t. cutoff that day; see subparagraph 4 D and Notice FI-2877.

```

699-LAKESYDE                                     VFB10200
CLOSE AND/OR REQUEST PAYMENT                     Version: AD81  11-12-08 15:14 Term E4
-----
JOHN OBEONE                                       FSFL# 2009/00008

CCC-185 Approval Date:      11-12-2008

Funded Amount is:          50,000.00   Disbursement Amt will be:      50,000.00

Do you want to close this loan now? (Y or N):  Y

IMPORTANT
To close and request payment for this loan now, enter "Y".
To order checks needed for closing, enter answer "N".

To assure the correct interest start date for loans closed and payments re-
quested today, the NPS worklist for this loan must be certified and signed
before 3:00 PM central time today.

Press "Enter" To Continue      Cmd7=End Of Job
    
```

Disbursement Option 1 - Screen VFC10010 to Complete Payment Requests After FSFL Closings

Under disbursement option 1, the only disbursement option is for the entire FSFL amount to be sent to the borrower by direct deposit or check. Additional payables are **not** allowed.

On **Screen VFC10010**, FSFL Payment Requests, user **cannot** change the entries on the screen; see subparagraph 4 C. The joint payment option **cannot** be changed to “**Y**”.

To complete the payment request, the user **must** do the following:

- answer the question, “Do you have more payables to enter? (Y or N)” with “**N**”; PRESS “**Enter**” to generate payment data for NPS
- access NPS to certify and sign the payment request for release to Treasury **before** the 3 p.m. c.t. cutoff that day; see subparagraph 4 D.

Note: If direct deposit, the funds will be deposited in borrower’s account in 2 workdays. If **not** direct deposit, a check will be mailed from Treasury to borrower’s address in SCIMS within 3 workdays. Loan transaction statements will be mailed directly to borrower.

An example of **Screen VFC10010** follows.

```

699-LAKESYDE                                     VFC10010
FSFL PAYMENT REQUESTS                           Version: AD81  11-12-08 15:28 Term E4
-----
JOHN OBEONE                                     FSFL# 2009/00008

                PAYABLES FOR DISBURSEMENT

Payable      Amount      Joint Pmt      Payable      Amount      Joint Pmt
#1           50,000.00      (Y or N)      #2
#3
#5           #6
#7           #8
#9           #10
#11          #12
#13          #14
#15          #16
#17          #18
#19          #20

Payment Requests Total:      $50,000.00
Do you have more payables to enter? (Y or N) N
Press "Enter" To Continue      Cmd3=Previous Screen  Cmd7= End of Job
    
```

Disbursement Option 2 - Screen VFB10200 to Request Payments Before FSFL Closings

The following example of revised Screen VFB10200 shows how County Offices **must** respond to the question on closing FSFL, if FSFL payments are requested **before** FSFL closing (disbursement option 2).

On **Screen VFB10200, Close and/or Request Payment**, user **must** answer “N” to **stop** the closing process; see subparagraph 5 B, step 7.

To request payments, user **must** immediately access the following:

- **Menu VCA005, “3”, “Payment Requests”,** to generate payment data for NPS; see subparagraph 5 C
- NPS to complete joint payee information and certify and sign the payment requests for release to Treasury **before** the 3 p.m. c.t. cutoff that day; see subparagraph 5 D and Notice FI-2877.

```

699-LAKESYDE                                     VFB10200
CLOSE AND/OR REQUEST PAYMENT                     Version: AD81  11-12-08 15:14 Term E4
-----
JOHN OBEONE                                       FSFL# 2009/00008

CCC-185 Approval Date:      11-12-2008

Funded Amount is:          50,000.00   Disbursement Amt will be:      50,000.00

Do you want to close this loan now? (Y or N):  N

IMPORTANT
To close and request payment for this loan now, enter "Y".
To order checks needed for closing, enter answer "N".

To assure the correct interest start date for loans closed and payments re-
quested today, the NPS worklist for this loan must be certified and signed
before 3:00 PM central time today.

Press "Enter" To Continue      Cmd7=End Of Job
    
```

Disbursement Option 2 - Screen VFC10010 to Request Payments Before FSFL Closings

Under disbursement option 2, County Offices request checks **before** FSFL closing. The payments will all be checks and mailed directly to the County Office for FSFL closing.

On **Screen VFC10010**, FSFL Payment Requests, user can **change** and **add** entries to the screen; see subparagraph 5 C, step 6. User **must** do the following:

- change payable #1 amount to reflect actual amount due borrower, if any
- leave alternate payee indicator “N”, if check is to be payable to borrower only
- enter payment additional requests based upon vendor amounts due
- enter “Y”, for alternate payee indicator, when check is to be made payable to the borrower and vendor
- adjust payment amounts so that the all of the Payable Amounts listed do **not** exceed or are **not** less than the Payment Requests Total at the bottom of the screen.

If Payable Amounts or Joint Payment Indicators (Alternate Payee Indicators) are **not** complete, or if Payable Amounts either exceed or are less than the Payment Requests Total at the bottom of the screen:

- a warning message will be displayed and user will **not** be allowed to continue
- user **must** do the following:
 - answer the question, “Do you have more payables to enter? (Y or N)”, with “Y”
 - correct payable amounts
 - complete entries where either a payable amount or alternate payee indicator column is incomplete.

Notes: User should **not** make any more entries than needed.

Payable entries are limited to a maximum of 20.

To complete the payments request, user **must** do the following:

- answer the question, “Do you have more payables to enter? (Y or N)”, with “N” and PRESS “**Enter**” to generate payment data for NPS
- access NPS to complete joint payee information and certify and sign the payment request for release to Treasury **before** the 3 p.m. c.t. cutoff that day.

Disbursement Option 2 - Screen VFC10010 to Request Payments Before FSFL Closings (Continued)

Note: All forced checks or checks requested **before** FSFL closing will be mailed from Treasury to the County Office within 3 workdays. The 3 workdays do **not** include the time the checks are in the mail. Loan transaction statements will be mailed directly to the County Office. Once checks and loan transaction statements are received by the County Office, the County Office shall schedule a closing within 21 calendar days of certifying and signing in NPS; see paragraph 6.

The following is an example of **Screen VFC10010**.

```

699-LAKESYDE                                     VFC10010
FSFL PAYMENT REQUESTS                           Version: AD81  11-12-08 15:28 Term E4
-----
JOHN OBEONE                                     FSFL# 2009/00008

                PAYABLES FOR DISBURSEMENT

Payable      Amount      Joint Pmt      Payable      Amount      Joint Pmt
#1           30,000.00      N              #2           12,000.56      Y
#3           7,999.44       Y              #4
#5
#7
#9
#11
#13
#15
#17
#19

Payment Requests Total:      $50,000.00
Do you have more payables to enter? (Y or N)  N
Press "Enter" To Continue      Cmd3=Previous Screen  Cmd7= End of Job
    
```

Note: Payable #1 was \$50,000.00 with Alternate Payee Indicator (Joint Pmt) of “N”. User changed Payable #1 Amount to \$30,000.00, added Payables #2 and #3 for \$12,000.56 and \$7,999.44, both with joint payment indicator of “Y”. Payable #1 will automatically be made out to borrower. Since there were **no** more payables to enter, user should answer the question, “Do you have more payables to enter? (Y or N)”, with “N” and PRESS “**Enter**”.

**Disbursement Option 2 - Screen VFC10010 to Request Payments Before FSFL Closings
(Continued)**

The payables will be provided to NPS as listed. User **must** access NPS **before** the 3 p.m. c.t. cutoff that same day to complete freeform entries for alternate payees where on Screen VFC10010, the alternate payee indicator was set to “**Y**”. API indicator (Joint Payment) setting “**N**” will automatically make the check payable to the borrower **only** and the County Office will **not** be given the opportunity to make any changes to the payee or address.

Note: Payments with more than 1 payee listed, in:

- FSFL system are referred to as “joint payments”
- NPS are referred to as “alternate payees”.

When freeform entries are completed for each alternate payee, the County Office **must** then complete the certification and signing process; see subparagraph 5 D and Notice FI-2877. Data will be provided to Treasury; checks and loan transaction statements will normally be mailed to the County Office within 3 workdays. The 3 workdays do **not** include the time the checks are in the mail.