

**For:** Tobacco State and County Offices

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**TTPP Final Payments and Preliminary Closeout Procedures**

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**Approved by:** Acting Deputy Administrator, Farm Programs



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## **1 Overview**

### **A Background**

The authority to administer TTPP and disburse annual installments is provided by the following:

- American Jobs Creation Act of 2004, Title VI, Sections 621 through 624
- 7 CFR Part 1463.

The Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, provided legislation to apply automatic spending reductions, known as sequestration, to Federal Agencies. The TTPP installments obligated in FY 2014 are subject to a sequestration reduction of 5 percent. The remaining 5 percent on all installments that were obligated and paid in FY 2014 are eligible for prompt payment interest and are to be paid in FY 2015, but no later than December 31, 2014.

Closeout procedures include limiting access to process certain TTPP actions. Corrective actions and payments are to be completed in a timely fashion. After December 31, 2014, users will only have access to view reports, cancel contracts, and cancel payments in the TTPP system. The TTPP system is scheduled to be offline permanently in March 2015.

### **B Purpose**

This notice provides guidance and instruction to the County Offices about:

- preparing to make the remaining 5 percent payment in FY 2015
- ensuring that provisions of 16-TB, paragraph 24 have been followed
- running the TTPP Payment Register, TTPP Contract Status Report, and the Payment Status Report **before** certifying and signing TTPP payments
- handling requests for payments after **December 31, 2014**.

<b>Disposal Date</b>	<b>Distribution</b>
November 1, 2015	Tobacco State Offices; State Offices relay to applicable County Offices

**2 Action**

**A County Office Action**

County Offices shall:

- follow the provisions of this notice and 16-TB
- contact their State Office for questions about this notice or TTPP.

**B State Office Action**

State Offices shall:

- ensure that County Offices follow the provisions of this notice and 16-TB
- for questions about this notice or TTPP, contact Kelly (Hereth) Dawson by either of the following:
  - e-mail at **kelly.hereth@wdc.usda.gov**
  - telephone at 202-720-0448.

### 3 Preparing to Make TTPP Payments

#### A Before Certifying and Signing TTPP Payments

The TTPP system will be available on October 30, 2014. Before certifying and signing any payments, the County Office shall place contracts “In Dispute (DI)” and hold the TTPP payment for program cancel if any of the following conditions exist:

- contract holder is deceased
- TIN is incorrect
- BQL is incorrect
- share of BQL is disputed.

County Offices must run the following reports from the Reports Selection Criteria menu **before** payments are to be certified and signed:

- TTPP Selection Register
- Contract Status Report
- Payment Status Report (Payment Reconciliation) Report.

**Note:** All payment years **2005 through 2014** are to be run for the Payment Status Report.

County Offices shall run the TTPP Assignment Report, available in FWADM **no later than October 29, 2014** to ensure that:

- all assignments are established at the CCC-955/CCC-956 level
- all assignees are loaded correctly in SCIMS
- corrective action is taken through FSA Financial Services no later than **October 29, 2014**, if the CCC-955/CCC-956 number is missing or wrong and/or the assignment was established using FSN instead of the CCC-955/CCC-956 number.

**Note:** If the County Office fails to take corrective action for assignments **before** the payment process occurs, the payment will get pushed to NPS and must be placed in a “Hold for Program Cancel”.

### 3 Preparing to Make TTPP Payments (Continued)

#### A Before Certifying and Signing TTPP Payments (Continued)

- TTPP Selection Register Report is run on **October 30, 2014**, using a date range of “01/01/2014” to “10/29/2014”, for all “Approved (AP)” CCC-955/CCC-956’s, to ensure all new approved CCC-955/CCC-956’s that were created in 2014, and will receive the first payment under TTPP, have been reviewed **before** certifying and signing the TTPP payments

**Note:** The last run date and criteria entered are printed on the TTPP Selection Register Report. CED, or designee, shall sign and date the TTPP Selection Register Report to certify all TTPP payments on all new CCC-055/CCC-956’s created in 2014 have been reviewed.

- TTPP Contract Status Report is run on **October 30, 2014**, for all “Approved (AP)” and “In Dispute (DI)” CCC-955/CCC-956’s, to ensure all approved CCC-955/CCC-956’s receive the final TTPP make-up payment and payment eligibility has been reviewed **before** TTPP payments are certified and signed

**Note:** CED, or designee, shall sign and date the Contract Status Report for “Approved (AP)” contracts to certify all final TTPP make-up payments have been reviewed.

- the Payment Status (Payment Reconciliation) Report is run on **October 30, 2014**, with a date range of “10/29/2014” to “10/29/2014” for each installment year, **2005 through 2014**, to identify CCC-955/CCC-956 payments that failed to pass to NPS and take appropriate corrective action according to 16-TB, subparagraphs 68 F and G.

County Offices shall verify the following for “Approved” TTPP contracts that appear on the Failed Payments Reconciliation Report:

- the approval process has been completed
- the CCC-960 status is either “Received” or “Not Applicable”
- the prompt pay interest flag for prior installment years is set according to 16-TB, subparagraph 24 C
- the SCIMS record is correct; update if necessary
- the farm business file in the subsidiary system is correct and up to date for quota holder producer payments.

### 3 Preparing to Make TTPP Payments (Continued)

#### B Payment Preparation Calendar

County Offices shall run the specified report according to this table.

Date	Report	Date Range	Action
Week of October 27, but no later than October 29, 2014	TTPP Assignment Report (available in FWADM)	N/A	Verify all TTPP assignments for all years are listed. If the assignment is not properly established, the TTPP payment must be held for program cancel.
October 30, 2014	TTPP Selection Register	01/01/2014 to 10/30/2014	Complete CCC-770 TTPP's for <b>all new</b> approved or replacement CCC-955/CCC-956's, or CCC-971 resulting CCC-955/CCC-956's that have not received the first payment <b>before</b> certifying and signing TTPP payments disbursed in FY 2015.  <b>Note:</b> CED or designee shall sign and date to certify all TTPP payments disbursed October 30, 2014, and later have been reviewed.
October 30, 2014	TTPP Contract Status Report	N/A – select “ALL” types of tobacco	Review all “ <b>Approved (AP)</b> ” and “ <b>In Dispute (DI)</b> ” CCC-955/CCC-956's to ensure they are in the correct status <b>before</b> certifying and signing payments.  <b>Example:</b> CCC-955/CCC-956 held by a deceased producer, but is still in an “ <b>AP</b> ” status. If the contract was not designated to be placed “ <b>DI</b> ” then the County Office will have to place the payment in “hold for program cancel” in NPS.
October 30, 2014	TTPP Payment Status (Reconciliation) Report	Select each Program Year <b>2005 thru 2014</b> and enter 10/29/2014 to 10/29/2014	Review the report for <b>Failed</b> payments and take corrective action for TTPP payments that failed to pass to NPS according to 16-TB, subparagraphs 68 F and G.  Optional: Run the <b>Passed</b> payments to verify payments passed to NPS.

## **4 Preliminary Closeout Procedures**

### **A Processing Pending Payments**

After certifying and signing the majority of the 5 percent TTPP make-up payments, each County Office will have different circumstances and resources to complete pending payments over 30 calendar days old and corrective actions. This list of priorities is meant to serve as a guideline. County Offices must carry-out the following actions before **December 12, 2014**:

- process pending payments and verify there are no outstanding unsigned payments
- complete pending CCC-971 transfers according to 16-TB, paragraphs 52 and 65
- process TIN corrections according to 16-TB, paragraph 64
- process BQL corrections according to 16-TB, paragraph 63
- request funds for contracts pending obligations
- request funds for contracts eligible for prompt payment interest according to 16-TB, subparagraph 24 C
- follow Notice FI-3207.

## **5 Expired TTPP Payments**

### **A Expired TTPP Payments**

If an expired TTPP check needs to be reissued, the County Office is to follow the instructions in 1-FI, Part 7, Section 4 for replacement instructions.

If the expired TTPP check was initially disbursed to a deceased individual and the TTPP contract has subsequently been transferred to an eligible successor, the County Office shall contact the State Office Program Specialist before carrying out any corrective actions to ensure there is not a gap in the paid installment years.

State and County Offices shall not honor any request for replacement of a payment, if the original issue date is more than 6 years old.

## **6 Erroneously Canceled TTPP Payments**

### **A Erroneously Canceled TTPP Payments or TTPP Contracts**

The County Office shall contact the State Program Specialist for additional instructions, if they canceled a TTPP payment or contract in error.

**7 Processing CCC-971 Transfers After March 2014**

**A Processing CCC-971 Transfers**

County Offices must complete CCC-971 transfer requests for deceased contract holders or dissolved entities by **December 12, 2014**, that are eligible to receive the TTPP payments. Funding in FY 2015 is limited to obligating and paying the remaining 5 percent final make-up payments and process any corrective actions.

**B Processing CCC-971 Transfers for the Remaining 5 Percent**

County Offices are able to process CCC-971 transfer requests for deceased contract holders or dissolved entities that received 95 percent of their annual installment in FY 2014 for the successor to receive the remaining 5 percent. This must be completed by **December 12, 2014**.

**8 Requests for TTPP Payments After December 31, 2014**

**A Application Deadline**

The deadline for initial new CCC-955/CCC-956's and CCC-971's for reasons other than death was **COB November 1, 2013**. CCC-955/CCC-956's submitted after November 1, 2013, will be disapproved.

County Offices will **not** discourage any interested producers from filing CCC-955/CCC-956's or CCC-971's, even if it appears that the applicant may fail or fails to meet eligibility requirements.

**B Relief for CCC-955/CCC-956's Filed After November 1, 2013**

If CCC-955/CCC-956's or CCC-971's (for reasons **other than** death or dissolution of an entity) filed after November 1, 2013, CCC-955/CCC-956 or CCC-971 **must** be accompanied by a written statement from the applicant explaining why:

- CCC-955/CCC-956 or CCC-971 was not timely filed
- relief to approve the last filed CCC-955/CCC-956 or CCC-971 should be granted.

COC will review late filed CCC-955/CCC-956's or CCC-971 submitted for consideration and do either of the following:

- recommend relief be granted to approve the late-filed CCC-955/CCC-956 or CCC-971 according to 7-CP
- decline to recommend relief, and disapprove the late-filed CCC-955/CCC-956 or CCC-971, and provide appeal rights according to 1-APP.

**8 Requests for TTPP Payments After December 31, 2014 (Continued)**

**B Relief for CCC-955/CCC-956's Filed After November 1, 2013 (Continued)**

STC will review COC relief recommendations and do either of the following:

- recommend DAFP grant relief to approve the late-filed CCC-955/CCC-956 or CCC-971 according to 7-CP
- disapprove the late-filed CCC-955/CCC-956 or CCC-971, decline to recommend relief, and provide appeal rights according to 1-APP.

**C Relief for CCC-971's Submitted Because of Death After December 31, 2013**

If CCC-971's submitted **only** for reasons of death or death of a member of an entity (dissolution of an entity) are filed after December 31, 2014, CCC-971 **must** be accompanied by a written statement from the applicant explaining why:

- CCC-971 was not filed by December 31, 2014
- relief to approve CCC-971 should be granted.

COC will review CCC-971 submitted for consideration and do either of the following:

- recommend relief be granted to approve CCC-971 according to 7-CP
- decline to recommend relief, and disapprove CCC-971, and provide appeal rights according to 1-APP.

STC will review COC relief recommendations and do either of the following:

- recommend DAFP grant relief to approve CCC-971 according to 7-CP
- disapprove CCC-971, decline to recommend relief, and provide appeal rights according to 1-APP.

**Note:** County Offices will not be able to process TTPP payments after December 31, 2014, without approval from DAFP.



**9 In Dispute CCC-955/CCC-956's Without a Successor-In-Interest**

**A Action for In Dispute CCC-955/CCC-956's Without a Successor-In-Interest**

County Offices are to verify written notification has been sent to the last known address of the contract holder within 30 calendar days of notification of the contract holder's death or death of a member of an entity. The eligible successor-in-interest is to be in the following order:

- surviving spouse
- estate of the deceased, if there is no surviving spouse.

If a successor fails to step forward within 30 calendar days, the contract is to remain "In Dispute". Should a successor step forward after December 31, 2014, the County Office shall follow the procedure in subparagraph 6 C.

**10 Statute of Limitations for Obligations and Payments Over 6 Years Old**

**A Statute of Limitations**

County Offices shall follow 1-FI for obligations and payments that exceed 6 years.

State and County Offices shall **not** honor any requests for replacement of payment if the original issue date is more than 6 years old.

**11 Processing Payment Requests and Cancellations After March 2015**

**A Processing Payment Requests After March 2015**

County Offices shall follow paragraph 8 for requests for TTPP payments submitted after the TTPP system is taken offline.

**B Processing Payment and/or Contract Cancellations After March 2015**

County Offices will be required to establish manual receivables in NRRS for TTPP payments that must be refunded. Additional policy and procedure about payments canceled after TTPP is offline will be provided in a future notice.