

For: Tobacco State and County Offices**TTPP Closeout Procedures****Approved by:** Deputy Administrator, Farm Programs**1 Overview****A Background**

The final payments for TTPP were disbursed in 2014, and the TTPP automation system was taken offline on December 12, 2014. All corrective actions were to have been completed by December 12, 2014. However, a number of payments are still pending because corrective actions were not completed on a timely basis or the contract holder did not provide correct contact information by December 12, 2014.

In an effort to have an orderly closeout to TTPP, the TTPP system will be available for a very limited period of time to carry out corrective actions, process pending payments for existing contracts, and de-obligate funds for contracts with unpaid obligations. TTPP payment sweeps will begin within 2 weeks after the TTPP system is made available. An Info Bulletin will be posted informing the field when TTPP payment sweeps will resume.

Note: New original TTPP contracts will **not** be processed.

B Purpose

This notice provides policy and procedure to County Offices to carry out the following sequence of events to have an orderly closeout of TTPP:

- update contract status before initiating corrective actions and payment cancellations
- cancel erroneous TTPP payments and establish receivables
- complete corrective actions, such as TIN corrections
- accept and process CCC-971's received through **July 1, 2015**
- manage contracts that remain in "In Dispute" status.

Disposal Date	Distribution
January 1, 2016	Tobacco State Offices; State Offices relay to applicable County Offices

2 Action

A 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 to **kelly.hereth@wdc.usda.gov**
 - telephone at **202-720-0448**.

B 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.

3 TTPP Payment Preparation and Sequence of Corrective Actions

A TTPP Payment Preparation

TTPP payment sweeps will resume within 2 weeks after the TTPP system is brought back online to allow County Offices to complete corrective actions required to prevent erroneous payments. 16-TB, paragraph 24 informs County Offices the actions to be carried out preparing to disburse a TTPP payment.

As soon as the TTPP system is available **and** before any corrective actions have been carried out, the County Office **must** run the Unpaid Contracts Report (Pre-Payment Report) for **each** installment year 2005 through 2014 for both “Approved” (AP) and “In Dispute” (DI) statuses according to 16-TB, subparagraph 68 I.

Unpaid contracts that are in an “AP” status are to be placed in “DI” status that meet any of the following conditions:

- erroneous payment that needs to be canceled
- contract holder is deceased
- TIN is incorrect
- BQL is incorrect
- share of BQL is disputed.

Note: See paragraph 4.

Notice TB-1285

3 TTPP Payment Preparation and Sequence of Corrective Actions (Continued)

B Sequence of Corrective Actions

County Office users will have limited functions available in the TTPP software. To ensure that no erroneous payments are created when the TTPP system is brought back up, the County Office will carry out necessary corrective actions according to this table, as applicable.

Step	Action	Situation	Reference
1	Update CCC-955/CCC-956 status to “DI”.	<ul style="list-style-type: none"> Contract holder is deceased or ineligible. Contract is to be transferred to a successor. Contract payment was disbursed in error and needs to be canceled. TIN is incorrect. Software script is required to correct the contract. 	<p>See 16-TB, paragraph 61.</p> <p>Note: Failure to place applicable contracts in “DI” status may result in erroneous payments.</p>
2	<p>Cancel payments.</p> <p>Note: County Offices are required to cancel all erroneous TTPP payments.</p>	<ul style="list-style-type: none"> Payments on the “Hold for Program Cancel” in NPS. Payments disbursed to deceased or ineligible contract holders. Rejected payment. Replace expired payment disbursed within the last 6 years. 	<p>See:</p> <ul style="list-style-type: none"> 16-TB, paragraph 67 1-CM, Part 34 1-FI, Part 7. <p>Important: Extra care must be taken when selecting the correct year to cancel, and special instructions may be required for expired payments. See paragraph 5.</p>
3	Correct TIN.	Payments disbursed under an erroneous TIN need to be corrected before processing any pending payments.	See 16-TB, paragraph 64.
4	Process CCC-971’s.	<ul style="list-style-type: none"> Complete CCC-971 transfers submitted before December 12, 2014. Complete CCC-971 transfers submitted no later than July 1, 2015. 	<p>See 16-TB, paragraph 65.</p> <p>Note: Only process CCC-971’s submitted by July 1, 2015, by either of the following:</p> <ul style="list-style-type: none"> surviving spouse estate representative if there is no surviving spouse.

Notice TB-1285

3 TTPP Payment Preparation and Sequence of Corrective Actions (Continued)

B Sequence of Corrective Actions (Continued)

Step	Action	Situation	Reference
5	Update Prompt Pay Interest (PPI) Flags.	Some payments failed to get picked up in the last payment sweeps because the County Office failed to update the PPI flags. County Offices will process required corrective actions according to 16-TB, paragraph 68.	See 16-TB, paragraphs 24 and 68 to run the Payment Status Report for failed payments from June 1, 2005, to present. Only payments that continue to fail will be displayed.
6	Process CCC-955/CCC-956 cancellations using the “ Voluntarily Cancellation ”.	Contracts with unpaid obligations if either of the following occur: <ul style="list-style-type: none">• a written request is submitted to cancel the contract• a payment is not claimed by July 1, 2015.	See 16-TB, paragraph 66.

4 Placing CCC-955's/CCC-956's Into “DI” Status

A Updating CCC-955/CCC-956 Status Before Initiating Corrective Actions

Before canceling any TTPP payments, County Offices are to place CCC-955's/CCC-956's in “DI” status to prevent a subsequent erroneous payment from occurring. County Offices shall place CCC-955's/CCC-956's in “DI” status if any of the following conditions exist:

- erroneous payment that needs to be canceled
- contract holder is deceased
- TIN is incorrect
- BQL is incorrect
- share of BQL is disputed.

County Offices are to review the list of deceased producers according to 1-CM, Part 34, and update CCC-955/CCC-956 to “DI” status. If a payment was disbursed to a deceased individual, the payment **must** be canceled to establish a receivable.

TIN corrections should be completed according to 16-TB, paragraph 64 if there are any additional payments to be disbursed either to the existing CCC-955/CCC-956 holder or if CCC-955/CCC-956 is to be transferred. Once CCC-955/CCC-956 is transferred, it is not possible to correct TIN on a canceled CCC-955/CCC-956. TIN corrections require coordinating with the State Office to carry out the necessary steps in completing a TIN correction, and also may require the County Office to submit a remedy ticket if the core customer ID is not found in SCIMS.

Note: If a TIN correction has been carried out in SCIMS or Business Partner, the County Office must complete the TIN correction for CCC-955/CCC-956 according to 16-TB, paragraph 64 procedures **before** transferring CCC-955/CCC-956 to the successor. Also, County Offices will not have access to correct BQL.

4 Placing CCC-955's/CCC-956's Into "DI" Status (Continued)

A Updating CCC-955/CCC-956 Status Before Initiating Corrective Actions (Continued)

For CCC-955's/CCC-956's that have a pending payment and do not require corrective actions or payment cancellations, the County Office should ensure that the contract status is "AP" and the PPI flag for the applicable installment year is set. See paragraph 8.

Disputed share cases must be resolved and updated by **July 1, 2015**. Equitable relief will **not** be available if COC has made a final determination and the disputed parties cannot come to an agreement, submit required documentation, and if necessary refund any overpayments by **July 1, 2015**.

If the CCC-955/CCC-956 holder was subject to IRS backup withholding (BWH) and/or the "Other Agency Offset" flag is still set, the County Office is to contact the State Office Program Specialist. A software script will be required to reset the status of CCC-955/CCC-956 to an "AP" status if a payment is owed, and the CCC-955/CCC-956 holder is no longer subject to BWH.

If a BWH amount is owed, the County Office is to contact the State Office Program Specialist to request the manual calculation of the BWH amount owed. State Offices are to contact Rhonda Anthony at **rhonda.anthony@kcc.usda.gov** with the contract number and installment amount to obtain the manually calculated BWH amount.

For **all** new/replacement CCC-955's/CCC-956's (codes ORG, 971, and TXC according to 16-TB, subparagraph 61 A), County Offices **must** complete CCC-770 TTPP **before** certifying and signing the TTPP payment disbursement.

CCC-955's/CCC-956's in "DI" status **after** July 1, 2015, with unpaid obligations will be de-obligated using the "Voluntary Cancellation" process according to 16-TB, paragraph 66. See paragraph 9.

5 TTPP Payments

A Canceling TTPP Payments

Before canceling TTPP payments, the County Office is to follow Notice FI-3207. If the payment is:

- valid, the payment should be certified and signed
- invalid, the County Office is to place CCC-955/CCC-956 in "DI" status and cancel the payment according to 16-TB, paragraph 67.

5 TTPP Payments (Continued)

A Canceling TTPP Payments (Continued)

After following the procedures in Notice FI-3207, County Offices are to cancel payments that may be under 1 of the following conditions:

- payments on the “**Hold for Program Cancel**” in NPS
- payments disbursed to deceased or ineligible contract holders
- rejected payment
- replace expired payment disbursed within the last 6 years.

Note: Cancellations for installments obligated from prior FY will require the County Office to submit a request for additional funds. When submitting a request for additional funds, the County Office is to:

- include the CCC-955/CCC-956 number and the amount of funds, including funds for PPI
- indicate whether the funds are for quota holder or producer funds.

B “Hold for Program Cancel” Payments

County Offices are to follow 16-TB, paragraph 67 when canceling payments on the Hold for Program Cancel Worklist. Canceling the applicable payment that is on the Hold for Program Cancel Worklist will not create a receivable. However, it is critical for the user to verify the correct disbursement has been selected when accessing “Manage Contract Payment” in the TTPP system to prevent establishing an erroneous receivable. The system will ask the user to verify the correct year has been selected.

Example: If a contract was paid through 2014, but the 5 percent payment has not been certified and signed because the contract holder is deceased, the user will select the **2014** year as the payment year to be canceled, but the system will show 2 disbursements; 1 at 95 percent of the installment value and the other at the 5 percent installment value. **The user is to select the 5 percent payment**, which will also be designated as “Not Signed”.

If the incorrect payment year is selected and subsequently canceled, the County Office will need to contact the State Office Program Specialist.

C Canceling Payments Disbursed to Deceased or Ineligible Individuals

County Offices are to follow 1-CM, Part 34 to review the list of deceased individuals who may have received a payment. A signed payment disbursed to a deceased or ineligible person must be canceled, and a receivable established.

5 TTPP Payments (Continued)

C Canceling Payments Disbursed to Deceased or Ineligible Individuals (Continued)

Receivables established as a result of a TTPP payment cancellation must be repaid in full before the payment can be transferred to a successor. See paragraph 7 about CCC-955/CCC-956 transfers.

D Canceling Payments as a Result of a Rejected Payment

County Offices are to follow 1-FI, Part 7 about rejected ACH/Direct Deposit transactions returned by Treasury and displayed on the ACH/Treasury Check Replacement Certification Worklist.

If the payment has been rejected because the CCC-955/CCC-956 holder is deceased, the County Office **must** cancel the payment, request a replacement check from Treasury, and apply the replacement check to the receivable as soon as it is received in the County Office. Should a successor submit a claim for the rejected payment, the receivable must be repaid in full to process the CCC-971 transfer request.

E Replacing Expired TTPP Payment

County Offices are to follow 1-FI, Part 7 to replace an expired TTPP payment if it has not exceeded the 6-year statute of limitations.

If the replacement payment is on an existing CCC-955/CCC-956, the County Office will be able to select the applicable installment year to be canceled **after** receiving the replacement payment from Treasury to be applied against the receivable.

Note: It may be necessary for the County Office to request additional funds to obligate the contract.

If the replacement payment is for CCC-955/CCC-956 that has been canceled as the result of a transfer request that has been processed, the County Office will need to do the following:

- request a replacement check from Treasury
- cancel the **most recent** payment on the last contract in effect before the transfer
- apply the replacement check to the receivable
- submit a remedy ticket to increase the installment years on the current contract after the receivable has been paid in full.

For checks expired over 6 years, payment records are purged and no longer available for reissue. Therefore, FSA cannot waive the statute of limitations.

6 Correcting TIN's on TTPP Contracts

A Correcting TIN's

If TIN has been updated in SCIMS or Business Partner, but it has not been updated on CCC-955/CCC-956, the TTPP system will not allow for any of the following to occur:

- obligation of funds
- cancellation of a payment
- cancellation of a contract
- transferring a contract to a successor.

The County Office must correct TIN on CCC-955/CCC-956 according to 16-TB, paragraph 64 before carrying out any of the processes listed in this subparagraph.

In some instances, the County Office will:

- be required to work with the State Office Program Specialist to correct TIN if the SCIMS or Business Partner record needs to be updated to reflect TIN associated with the original contract
- need to submit a remedy ticket requesting the core customer ID be updated on CCC-955/CCC-956 to reflect what is in the SCIMS record.

7 Processing CCC-971's

A Submitting CCC-971's

The final day to submit CCC-971 to the County Office is **July 1, 2015**. County Offices shall follow the policy established in 16-TB:

- paragraph 52 when transferring CCC-955's/CCC-956's as a result of death
- paragraph 65 for the automated CCC-971 process.

CCC-971's submitted **after November 1, 2014**, can only be accepted if the "Transfer Reason" is death of a CCC-955/CCC-956 holder. Any other reason for CCC-971 will not be processed, and CCC-955/CCC-956 is to be placed in "DI" status.

Upon presentation of a death certificate, without regard to any will or other document by the CCC-955/CCC-956 holder, eligible successors to CCC-955/CCC-956 are to be in the following order:

- surviving spouse
- if there is no surviving spouse, CCC-955/CCC-956 **must** be transferred to the estate by any person allowed under State law to distribute the assets of the deceased.

7 Processing CCC-971's (Continued)

A Submitting CCC-971's (Continued)

In cases of an estate, a representative of the estate has the authority to subsequently transfer CCC-955/CCC-956 from the estate directly to the beneficiaries as instructed by the estate.

Notes: The "Transfer Effective Date" is to be the date of death recorded on the death certificate, not the date CCC-971 was received in the County Office. Any payments issued after the date of death **must** be canceled **and** repaid before the TTPP system will allow a transfer to be processed.

If a payment was issued after the effective transfer date, the payment must be canceled and refunded. The user will be prompted to enter the receivable ID and receivable paid date and answer the equitable relief question.

B Common Errors When Processing CCC-971's or Approving Contracts

The following are common errors that occur after a County Office initiates or completes the CCC-971 process or when processing CCC-955/CCC-956 for approval.

Error	Result	Corrective Action
Cancelled payment repaid in full, but contract is failing obligations	All canceled payments are from a prior FY and require additional funds to complete the transfer process.	Run the Failed Obligations Report for the current date and request additional funds, if necessary.
Incorrect date is used for "Transfer Effective Date"	Resulting CCC-955/CCC-956 may not have the correct installment count. An erroneous payment may not have been canceled.	Submit a remedy ticket requesting to correct the installment count. The remedy ticket must include the receivable ID and receipt number if it involves a canceled payment.
Contract is in "Pending Obligations" status for more than 10 minutes	Contract cannot be approved for payment.	Run the Failed Obligations Report and request additional funds, if necessary.
Contract is "Pending Annual Obligations"	Contract cannot be approved for payment.	Run the Failed Obligations Report using a date range that includes the most recent Tuesday/Thursday date. Request additional funds, if necessary. Note: If the contract is failing obligations because of an incorrect TIN, follow instructions in paragraph 6.
CCC-960 Status is "Pending"/"Mailed"	Contract is in "AP" status, but unpaid.	Verify the CCC-960 status is "Received" or is blank.
PPI Flag is set to "Yes" but insufficient funds	Payment is failing to get picked up in the payment sweep.	Request additional funds.
PPI flag is not set for an unpaid installment	Contract is in "AP" status, but the payment is not in NPS.	Update the PPI flag according to paragraph 8 and request additional funds, if necessary.

8 PPI Flags

A Updating PPI Flags

All TTPP payments to be disbursed in FY 2015 require the PPI flag to be set for the applicable installment year to be paid, in addition to the contract status being “AP” and fully obligated. Failure to update the PPI flag will prevent the payment from being uploaded to NPS.

Once payment sweeps resume, the County Office is to run the **Payment Status Report for failed payments** according to 16-TB, subparagraphs 68 F and G. If the error message on the report indicates the “Prompt payment applicable indicator **not** set”, the County Office must update the PPI flag. If PPI is owed, County Offices **must** request additional funds.

County Offices are to follow 16-TB, subparagraph 24 C to update the PPI flag as follows:

- “**No**” if the receipt of required documentation and/or repayment of a receivable occurs after the applicable FY
- “**Yes**” if the delay is because of County Office error or software limitations.

County Offices can also select the “Prompt Pay Interest” link located on the left side of the TTPP Home Page. The TTPP system will select all CCC-955’s/CCC-956’s in an “AP” status with unpaid installments that require the PPI flag to be set.

If a payment continues to fail after the PPI flag has been updated **and** sufficient funds are available to process PPI, the County Office is to contact their State Office Program Specialist.

9 Canceling CCC-955's/CCC-956's and De-Obligating Unpaid Obligations

A Canceling CCC-955's/CCC-956's

If a CCC-955/CCC-956 holder or successor to CCC-955/CCC-956 wishes not to receive any future or pending payments, they must submit a written request for “**Voluntary Cancellation**” of CCC-955/CCC-956. This written request **must** be attached to the original CCC-955/CCC-956. Once CCC-955/CCC-956 has been voluntarily canceled, the status **cannot** be changed. See 16-TB, paragraph 66. The “Voluntary Cancellation” process will not allow BQL to be transferred to a successor, and no additional payments will be disbursed for the canceled CCC-955/CCC-956.

Upon receipt of a written request to cancel CCC-955/CCC-956 has been submitted to the County Office by an authorized individual, CCC-955/CCC-956 is to be placed in “DI” status and the County Office is to complete the “**Voluntary Cancellation**” process according to 16-TB, paragraph 66.

Note: County Offices must ensure that they select the correct cancellation process **and** the correct CCC-955/CCC-956. County Offices are only to use the “Involuntary Termination” process if a determination has been made that the CCC-955/CCC-956 holder has done 1 of the following:

- erroneously represented a fact affecting a TTPP determination
- adopted a scheme or device intended to defeat the TTPP purpose
- made any fraudulent representations affecting a TTPP determination.

The “Involuntary Termination” process will terminate CCC-955/CCC-956, and all monies received by the CCC-955/CCC-956 holder **must** be refunded. Therefore, it is crucial that the County Office takes special care to verify the correct cancellation process is being used **and** the correct CCC-955/CCC-956 has been selected.

B Reports to Run Before De-Obligating Unpaid CCC-955's/CCC-956's

The County Office **must** complete all corrective actions and process all pending TTPP payments by **July 17, 2015**. After July 17, 2015, unpaid CCC-955's/CCC-956's must be de-obligated by using the “**Voluntary Cancellation**” process. See 16-TB, paragraph 66. The “Voluntary Cancellation” process will cancel the contract and de-obligate unpaid obligations, but it will not affect any payments previously received by the CCC-955/CCC-956 holder.

9 Canceling CCC-955's/CCC-956's and De-Obligating Unpaid Obligations (Continued)

B Reports to Run Before De-Obligating Unpaid CCC-955's/CCC-956's (Continued)

On **July 20, 2015**, before initiating the cancellation process, the County Office is to run the **TTPP Open Obligations Report** with a date range of "03/14/2005" to "07/20/2015". The report will include all established obligation transactions that have been established, but have **not** been fully paid for contracts in "AP" and "DI" statuses.

The County Office is to verify if a claim for payment has been submitted by **July 1, 2015**, for the contracts listed on the report. If a claim has not been submitted, the contract is to be canceled according to subparagraph C.

C De-Obligating Unpaid Obligations on Existing CCC-955's/CCC-956's

Unpaid obligations must be de-obligated if a claim for a payment has not been submitted by **July 1, 2015**. After reviewing the TTPP Open Obligation Report, the County Office is to place not fully paid CCC-955's/CCC-956's in "DI" status and subsequently process CCC-955/CCC-956 for the "Voluntary Cancellation" process.

Voluntary cancellation of CCC-955's/CCC-956's not fully paid must be completed by **July 31, 2015**.

10 Handling Claims Submitted After July 1, 2015

A Handling Claims

Because the authority to collect assessments to fund payments ended with FY 2014, FSA cannot accept any late-filed payment requests on existing contracts made after July 1, 2015, and opportunity for equitable relief will not be available after that date.