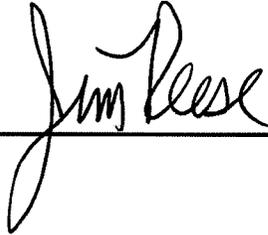


UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
100 USDA, Suite 102
Stillwater, OK 74074

For: County Offices

COC Advisor Recommendation and Appointments

Approved by: State Executive Director



1 Overview

**A
Background**

Handbook 16-AO (Rev. 2), Part 3 Section 2 furnishes instructions regarding recommendations and appointments of advisors to the COC.

**B
State Policy**

The State Committee has directed that every county which does not have an elected female member shall recommend appointment of a female advisor. Exceptions must be justified to the State Committee.

**C
Purpose**

The purposes of this Notice are to:

- instruct County Committees to determine if there are groups including females in the county that are underrepresented on the County Committee.

Note: Exhibit 1 provides information that will assist the County Committee in making this determination.

Disposal	Distribution
March 1, 2003	County Offices

OK Notice AO-1042

1

Overview (Continued)

C

Purpose (Continued)

- remind County Executive Directors and County Committees of their responsibility to appoint advisors to the County Committee if it is determined there are underrepresented groups
- provide a format to recommend appointment of County Committee Advisors (Exhibit 1).

2 Action

A

County Executive Director/County Committee Requirements

Reference 16-AO, paragraph 155 A.

County Committees shall review the makeup of the County Committee and Exhibit 1 to determine if there are groups that are underrepresented on the County Committee.

- If there are underrepresented groups including females, County Committees shall:
 - **contact organizations** that represent individuals who are underrepresented on the County Committee.

Note: County Executive Director **shall** make personal contacts with group leaders to ensure they understand the duties and responsibilities of County Committee Advisors (Exhibit 4).

- solicit candidates for County Committee Advisor from each underrepresented group.

Note: The group(s) should be encouraged to offer candidates who are:

- willing to serve with the County Committee members
- interested and active in farming in the county or area.

- recommend a County Committee Advisor(s) to the State Committee as necessary, to ensure that the interest of underrepresented producers are fairly represented.

Note: This includes the appointment of a tribal representative as County Committee Advisor to represent Native American interest in the county or area.

OK Notice AO-1042

2 Action (Continued)

B

**Newly Appointed
Advisors**

Reference 16-AO, paragraph 155 B.

Newly appointed advisors shall:

- receive FSA-332A, describing the duties of County Committee members (Exhibit 3)
 - receive copies of FmHA Instruction 1900-D describing prohibited conflicts of interest and employee business transactions (Exhibit 5)
 - take an oath of office on FSA-586 (Exhibit 2)
 - review responsibilities of County Committee Advisors (Exhibit 4).
-

C

**Contacting Group
Leaders**

Reference 16-AO, paragraph 156 A.

County Committee shall consult leaders of minority and female groups to:

- explain the need for County Committee Advisors
- request assistance to identify prominent eligible candidates to consider as advisors
- discuss the method for selecting nominees, from which the individuals will be selected and recommended to State Committee.

Note: Document contacts by County Committee or County Executive Director in the County Committee minutes. County Committee may recommend more than 1 advisor, if determined necessary.

D

Advisor Eligibility

Reference 16-AO, paragraph 156 B.

Nominees recommended to State Committee to serve as County Committee advisor shall be:

- actively participating in farming in the county or area
 - willing to serve as an advisor, if appointed.
-

E

**Recommending to
State Committee**

Reference 16-AO, paragraph 156 C.

County Committee shall submit nominees and supporting information to State Office no later than January 31, 2003, so the nominee information can be reviewed and presented to the State Committee during their February 2003 meeting. Exhibit 1 has been provided for submission of County Committee Advisor nominees.

Note: All counties are required to submit Exhibit 1. The County Committee must determine the need for a County Committee Advisor during their first meeting in January. Action is to be documented in the COC Minutes.

2. Action (Continued)

F

**Appointing
Advisors**

Reference 16-AO, paragraph 156 D.

State Committee shall appoint County Committee Advisors as initiated by the State Committee or County Committee.

- Any county having underrepresented voters are encouraged to submit County Committee Advisor recommendations.
 - State Committee will confirm advisors to County Committees for a 12-month period not to exceed nine consecutive years.
 - The appointment will be effective March 1, 2003.
-

G

**District Director
Requirements**

Reference 16-AO, paragraph 111 D

District Directors shall make every effort to meet at least twice annually with each County Committee Advisor. District Directors shall meet to ensure that the advisor is:

- contributing to the County Committee meetings
- properly and effectively portraying the opinions and concerns of the groups represented.

If it is found that the advisor is not effectively contributing, District Director shall obtain:

- the necessary information to determine the barriers prohibiting the advisor from fulfilling the duties and responsibilities
- the need for additional training.

District Directors will report their findings to the State Executive Director.

District Directors should review "Duties of County Committee Advisors" in 16-AO, paragraph 158 A prior to meeting with County Committee Advisors.

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OK Notice AO- 1042

Exhibit 1

_____ County

COC ADVISOR NOMINEE(S)

Due January 31, 2003

COUNTY POPULATION BY RACE (SEE Exhibit 1)

American Indian	Asian	Black	White	Hispanic	Other
No. _____	No. _____	No. _____	No. _____	No. _____	No. _____
% _____	% _____	% _____	% _____	% _____	% _____

CURRENT MAKEUP OF THE COC

__American Indian	__Asian	__Black	__White	__Hispanic	__Other
__Female	__Female	__Female	__Female	__Female	__Female
__Male	__Male	__Male	__Male	__Male	__Male

The _____ County FSA Committee has reviewed the population of the county by race, reviewed the makeup of the COC, and determined the following groups are underrepresented:

__American Indian __Asian __Black __White __Hispanic __Women __None

(If the COC has determined all groups are fairly and/or adequately represented on or by the COC please sign and return to the STC. If the COC determines groups are not adequately represented, please continue.)

The following groups that represent individuals that are underrepresented on the COC have been contacted according to 16-AO, Par. 155 A, to explain the need for COC advisors and to solicit COC advisors. (Please indicate which race or gender the group or organization represents.)

_____, _____, _____,
_____, _____, _____,
_____, _____, _____

Based on the above, the _____ County FSA Committee submits the following nominee(s) to serve as Advisor(s) to the FSA County Committee.

_____: Race American Indian Asian Black White Hispanic Other
 Name Gender Female Male
 Willing to serve and fulfill the advisors responsibilities according to Par. 158
 of 16-AO if appointed? Yes No
 Actively participating in farming in the county or area? Yes No

_____: Race American Indian Asian Black White Hispanic Other
 Name Gender Female Male
 Willing to serve and fulfill the advisors responsibilities according to Par. 158
 of 16-AO if appointed? Yes No
 Actively participating in farming in the county or area? Yes No

_____ Chairman COC
_____ Date

(If additional space is needed please use additional page.)

REPRODUCE LOCALLY. Include form number and date on all reproductions.

FSA-586 U.S. DEPARTMENT OF AGRICULTURE
(06-09-97) Farm Service Agency

**County FSA Committee (COC)
Members, Advisors, And Employees
OATH OF OFFICE AND SERVICE OBLIGATION**

1. STATE	2. COUNTY
3. NAME OF COMMITTEE MEMBER OR EMPLOYEE	4. POSITION

I, the undersigned, do solemnly swear (*or affirm*) that I will faithfully, fairly, and honestly perform to the best of my ability all duties entrusted in me as a committee member or employee. I take this obligation freely, without any mental reservation or purposes of evasion; and that I will, under the guidance of the State or County FSA Committee, as applicable, faithfully discharge the duties of this office, including carrying out and obeying the laws, regulations, and procedures of FSA and the U.S. Department of Agriculture.

WITNESS

SIGNATURE OF COMMITTEE MEMBER
OR EMPLOYEE (*Seal*)

DATE

This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability.

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FSA-332A

6-19-97

U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency

DUTIES OF COUNTY FSA COMMITTEE MEMBERS

As a member of the farmer-elected County FSA Committee, you are a vital link in the effective administration of farm programs within your county. You and the other members of the County Committee are responsible for carrying out programs in full accordance with the regulations, national and State policies, procedures, and instructions. To ensure farmer understanding and wide program participation, committees must see that County Office operations are farmer oriented and that farmers receive timely and quality service. Give balanced attention to all programs and carry out your responsibilities effectively, efficiently, and impartially. Some of your important duties are:

1. Serve under the general supervision of the State FSA Committee.
2. Employ a qualified county executive director to carry out committee decisions and policies and to direct day-to-day operations of the County Office.
3. Meet regularly to make policy decisions on program administration in the county, to act on cases involving individual farmers, and to review office operations to ensure that administrative funds are being used efficiently and for the purposes intended.
4. Ensure farmer and public understanding of FSA programs through an effective public information program which includes public meetings.
5. Develop and carry out an active outreach program. Work actively with farm, agribusiness, civic, and communications leaders and community committee members.
6. Promote good working relationships with other agricultural agencies serving the county.
7. Supervise FSA Committee elections as prescribed by regulations and procedures.
8. Discuss plans with the FSA district director periodically on policies and problems.
9. Make recommendations to the State FSA Committee on needed changes in programs and their administration.
10. Conduct hearings and reviews as needed or requested by the State FSA Committee.
11. Provide work place environment free from discrimination.
12. Avoid appearance of conflict of interest.

This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or disability.

**COC Advisor
Responsibilities**

COC advisors are responsible for:

- attending each COC meeting, including executive sessions
- participating in all deliberations, although they do not have voting rights
- increasing awareness of and participation in FSA activities, including elections, by eligible voters to ensure that underrepresented group problems and viewpoints are understood and considered in FSA actions
- helping to develop interest and incentives in underrepresented group members for considering FSA work as a career
- actively soliciting candidates from underrepresented groups for nomination during the election process
- performing special duties at COC's request.

PART 1900 - GENERAL

Subpart D - Processing and Servicing FmHA Assistance
to Employees, Relatives, and Associates

§1900.151 General.

(a) Rural Development (RD) Instruction 2045-BB (available in any FmHA office) requires the maintenance of high standards of honesty, integrity, and impartiality by employees. To reduce the potential for employee conflict of interest, any processing, approval, servicing or review activity, including access through automated information systems, is conducted only by authorized FmHA employees who:

- (1) are not themselves the recipient.
- (2) are not members of the family or known close relatives of the recipient.
- (3) do not have an immediate working relationship with the recipient, the employee related to the recipient, or the employee who would normally conduct the activity.
- (4) do not have a business or close personal association with the recipient.

(b) No provision of this subpart takes precedence over individual program requirements or restrictions, especially those restrictions found in RD Instruction 2045-BB (available in any FmHA office) relating to eligibility for FmHA assistance of FmHA employees, members of families of employees, close relatives, or business or close personal associates of employees.

(c) The determination of a case's need for special handling under the provisions of this subpart is not an adverse action and, therefore, is not subject to appeal.

§1900.152 Definitions.

Applicant or borrower. All persons or organizations, individually or collectively, applying for or receiving insured or guaranteed loan or grant assistance from or through FmHA. Referred to as recipient.

DISTRIBUTION: WSDC

General

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(02-04-93) SPECIAL PN
RD Instruction 1900-D
§1900.152 (Con.)

Assistance. Loans or grants made, insured or guaranteed, or serviced by FmHA.

Associates. All persons with whom an employee has a business or close personal association or immediate working relationship.

Business association. Business relationship between those with an identity of financial interest; including but not limited to a business partnership, being an officer, director, trustee, partner, or employee of an organization, or other long-term contractual relationship.

Close personal association. Social relationship between unrelated residents of the same household.

Close relatives. The spouse, relatives, and step-relatives of an employee or the employee's spouse, including Grandmother, Grandfather, Mother, Father, Aunt, Uncle, Sister, Brother, Daughter, Son, Niece, Nephew, Granddaughter, Grandson, and First Cousin

Conflict of interest. A situation (or the appearance of one) in which one could reasonably conclude that an FmHA employee's private interest conflicts with his or her Government duties and responsibilities, even though there may not actually be a conflict.

Employee. All FmHA personnel, including gratuitous employees and those negotiating for or having arrangements for prospective employment, except as otherwise specifically stated. For the purposes of this instruction only, the term also refers to county or area committee members, elected or appointed, and to closing agents who, although they are not employees, have a special relationship to FmHA and therefore should be subject to these provisions.

Immediate working relationship. A relationship between a subordinate and a supervisor in a direct line, or between co-workers in the same office. For the purposes of this subpart, the relationships among a County Supervisor and members of the local County Committee are immediate working relationships.

Members of family. Blood and in-law relatives (such as by marriage or adoption) who are residents of the employee's household.

Recipient. One who has applied for or received FmHA financial assistance in the form of a loan or grant. See definition of applicant or borrower.

§1900.153 Identifying and reporting an employee relationship.

(a) Responsibility of applicant. When an application for assistance is filed, the processing official asks if there is any known relationship or association with an FmHA employee. The applicant is required to disclose the requested information under Subpart A of Part 1910 of this chapter and pertinent program regulations.

(b) Responsibility of FmHA employee. An FmHA employee who knows he or she is related to or associated with an applicant or recipient, regardless of whether the relationship or association is known to others, is required to notify the FmHA official who is processing or servicing the assistance, in writing. FmHA Guide Letter 1900-D-1 may be used as the notice. If the appropriate official is not known, the State Director should be notified. Regardless of whether the relationship or association is defined in §1900.152 of this subpart, if the employee

believes there may be a potential conflict of interest, the FmHA official who is processing or servicing the assistance may be notified and special handling requested. An employee's request that the case receive special handling is usually honored.

- (c) Responsibility of FmHA official. When any relationship or association is identified, the FmHA official completes and submits RD Guide Letter 1900-D-2 to the State Director (or Administrator, under paragraph (e) of this section or §1900.155(a) of this subpart). When completed RD Guide Letter 1900-D-3 is returned by the State Director, the processing official;

- (1) files RD Guide Letters 1900-D-2 and 1900-D-3 in the file,
- (2) if required by the designation of a different processing/servicing official, forwards the file to the designated official,
- (3) notifies the recipient in writing of the change in responsibility and any other pertinent information, and
- (4) retains a cross-reference file on Form RD 2033-1, "X-Reference Card," and a copy of RD Guide Letter 1900-D-3 for the operational file.

(d) Relationship or association established after application for FmHA assistance. If a relationship or association is established after an application has been filed or assistance has been provided, both recipient and employee are required to notify the FmHA official as described in paragraphs (a) and (b) of this section.

(e) Relationship or association with a State Office, Finance Office, or National Office employee. If an identified relationship or association is with an employee at a State Office (other than a State Director), Finance Office, or National Office, the processing/servicing official completes and submits RD Guide Letter 1900-D-2 to the State Director in the normal manner. The State Director reviews the information, determines the need for special handling, designates the processing/servicing official, completes and submits RD Guide Letters 1900-D-2 and 1900-D-3 to the Administrator for written concurrence. When the Administrator's concurrence is received, the State Director returns completed RD Guide Letter 1900-D-3 to the original official who completes the action described in paragraph (c) of this section.

(f) Relationship or association with a State Director. If an identified relationship or association is with a State Director, the processing/servicing official completes and submits RD Guide Letter 1900-D-2 to the Administrator. The Administrator reviews the information, determines the need for special handling, designates the processing/servicing official, completes and returns RD Guide Letter 1900-D-3 to the original official who completes the action described in paragraph (c) of this section.

(g) Change in relationship or association, status of FmHA assistance, or employee's duty station. If the relationship or association has changed, the application denied or the assistance otherwise terminated, or the FmHA employee's duty station changed, the designated processing/servicing official completes RD Guide Letter 1900-D-2 with the new information and submits it. The review process takes place as described in paragraphs (a) through (e) of this section to determine if processing/servicing activity may return to normal or requires another change. If the assistance is denied or otherwise terminated, the designated official notifies the original official. The closed case file remains in the office of the designated processing/servicing official. If security property is acquired, the appropriate documents are forwarded to the servicing official under §1900.157(c) of this subpart.
(Revised 01-26-94, PN 218.)

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(Revision 1)

D Instruction 1900-D

§1900.154 Determining the need for special handling.

The State Director (or Administrator, under §1900.153(e) or §1900.155(a) of this subpart);

- (a) reviews RD Guide Letter 1900-D-2,
- (b) determines whether the reported relationship or association is defined in §1900.152 of this subpart and would violate the provisions of §1900.151(a) of this subpart,
- (c) in accordance with that determination, establishes the appropriate Employee Relationship Code (ERLC) and then determines the need for special handling,
- (d) designates the appropriate processing/servicing officials under §1900.155 of this subpart,
- (e) schedules any required post-closing review,
- (f) completes and returns RD Guide Letter 1900-D-3 to the original official.

§1900.155 Designating the processing/servicing official.

(a) Designating an official with equivalent authority. The State Director (or Administrator, under §1900.153(e) of this subpart or paragraph (a) of this section) designates a nonrelated or nonassociated FmHA official authorized to conduct the activity under program regulations, delegation of authority, and approval authority under Subpart A of Part 1901 of this chapter, and whose duty station is most convenient to the recipient and to the security property. A type and/or amount of assistance processed or serviced by a County Supervisor or at a County Office should be assigned only to another County Supervisor or County Office. A type and/or amount of assistance processed or serviced by a District Director or at a District Office should be assigned only to another District Director or District Office. A type and/or amount of assistance processed or serviced by a State Program Official or at a State Office should be assigned only to the appropriate program division in the National Office or as otherwise determined appropriate by the Administrator. Additional guidance in making these designations is in Exhibit A of this subpart.

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(Revision 1)

(02-04-93) SPECIAL PN
RD Instruction 1900-D
§1900.155 (Con.)

(b) County Committee. For processing or servicing decisions to be made by a County Committee, if the recipient is a member, a different County Committee is designated. If the recipient is related to or associated with the member, notwithstanding the provisions of §1900.151(a) (3) of this subpart, the State Director may permit the decision to be made by the local committee, if the related/associated member abstains.

(c) Case number. The case number is assigned using the geographic State and County (or District) location of the real estate security for the loan, except for Multi-Family Housing (MFH) loans. For MFH loans, the case number is assigned or changed, using the State and County (or District) codes of the office of the designated processing/servicing official. (Revised 01-26-94, PN 218.)

§1900.156 Special handling - processing.

(a) Pre-application or application processing. After RD Guide Letter 1900-D-2 has been submitted to determine the need for special handling, pre-application or application processing continues normally, up to but not including the eligibility determination, or until notified otherwise by the return of RD Guide Letter 1900-D-3. When completed RD Guide Letter 1900-D-3 is returned by the State Director, the processing official completes the action described in §1900.153(c) of this subpart. Unless otherwise designated, the original processing official collects and verifies the information needed for a complete pre-application or application. The complete application is then forwarded to the designated processing official to determine eligibility.

(b) Eligibility determination. The designated processing official reviews the application and develops additional data as necessary. Upon determination of whether the assistance will be provided, the designated processing official notifies the applicant of the decision in writing under program regulations, Subpart A of Part 1910 of this chapter, and Subpart B of Part 1900. If the determination is favorable, unless otherwise designated, the complete application is returned to the original processing official for docket preparation. If the determination is unfavorable, the designated processing official as decision-maker participates in the appeal process to its conclusion.

(c) Property inspection and/or appraisal. Property inspection and/or appraisal is conducted by the official designated by the State Director under §1900.155(a) of this subpart.

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(Revision 1)

RD Instruction 1900-D

§ 1900.156 (Con.)

(d) Docket preparation. The collection of information necessary to complete processing, unless otherwise designated, is conducted by the original processing official. The docket is then forwarded to the designated processing/servicing official.

(e) Approval. The designated processing/servicing official must review the docket before approving the assistance and is responsible for preparation of obligation and closing documents. The case number, assigned in accordance with § 1900.155(c) of this subpart, and the ERLC are recorded using Agency forms and related ADPS transactions described in Exhibit B of this subpart to obligate the assistance. The designated official completes RD Guide Letter 1900-D-4 for the file.

(Revised 01-26-94, PN 218.)

(f) Closing agent. Unless there is a clear or apparent conflict of interest, closing will be at a location and by a closing agent chosen by the recipient. The closing agent is advised in writing to forward the closing documents to the designated servicing official.

(g) Supervised bank account. Unless there is a clear or apparent conflict of interest, any supervised bank account (or construction account) is established at a financial institution chosen by the recipient under Subpart A of Part 1902 of this chapter. Countersignature authority is delegated only to a nonrelated or nonassociated Agency official.

(h) Construction inspection. Construction inspections are delegated to a nonrelated or nonassociated employee authorized to conduct inspections whose duty station is nearest the construction site. The designated processing/servicing official notifies the builder (or architect/engineer) in writing of how and from whom to request inspections.

§ 1900.157 Special handling - servicing.

Case files are maintained in the office of the designated processing/servicing official.

(a) Transfer of file. Upon receipt of a file transferred for special handling, the designated servicing official reviews all previous actions, completes RD Guide Letter 1900-D-4 for the file, and processes the ERLC and any servicing office/mail code changes (loans other than MFH) using Agency forms and related ADPS transactions described in Exhibit B of this subpart. (Revised 01-26-94, PN 218.)

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RD Instruction 1900-D
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(b) Servicing. All servicing is conducted by the designated servicing official.

(c) Acquired property. Upon termination of assistance and acquisition of security property, an employee relationship is not pertinent. The property identification number is established with the State and County (or District) codes of the property location, using Agency forms and related ADPS transactions to maintain acquired property records. The designated servicing official for the borrower's case will forward the appropriate documents to the servicing official for the inventory property. (Revised 01-26-94, PN 218.)

§ 1900.158 County, District, and State Office records.

(a) The original processing/servicing official maintains a record of file relocation with Form RD 2033-1.

(b) County, District, State, and National officials each maintain operational files of the designations received and made within their direct authority.

§ 1900.159 Finance Office records.

A quarterly report listing assistance with an ERLC is issued to each County, District, and State Office responsible for such assistance, with a summary report to the National Office.

§ 1900.160 Review and reporting functions.

(a) Post closing review. After closing, a State Program Official (or National Program Official, under §1900.153(e) or § 1900.155(a) of this subpart) reviews each case determined to need special handling.

(b) Evaluation reviews. The Finance Office report is used to assure that each case with an ERLC is reviewed on a regular schedule, during program visits and Management Control Reviews and State Internal Reviews under RD Instruction 2006-M, to determine that proper designations are made and appropriate processing and servicing action is taken.
(Revised 03-10-99, PN 302.)

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(Revision 3)

RD Instruction 1900-D

§1900.160 (Con.)

(c) Corrective action. An inappropriate designation is corrected when identified. The case is reviewed by the appropriate designated processing/servicing official to determine the need for corrective action.

(d) Unauthorized assistance. Unauthorized assistance is handled according to Subparts L, M, N, and O of Part 1951 of this chapter.

§1900.161 State supplements.

State supplements to this subpart will not be issued, except for necessary references within authorized State supplements to program regulations.

§§1900.162 - 1900.200 [Reserved]