

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Cotton Transition Assistance Program 1-CTAP	Amendment 3
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Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraphs 9 B and 64 B have been amended to update the definition of base acres consistent with regulations.

Paragraphs 650 through 699 and 723 through 752 have been added, and paragraphs 721 and 722 have been amended to provide initial CTAP payment processing procedure.

Exhibit 2 has been amended to update the definition of base acres consistent with regulations.

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9 Basic Program Information (Continued)

A Covered Commodities (Continued)

- long grain rice
- medium grain rice
- pulse crops, which include the following:
 - dry peas
 - lentils
 - chickpeas, large
 - chickpeas, small
- soybeans and the following “other” oilseeds:
 - canola
 - crambe
 - flax
 - mustard
 - rapeseed
 - safflower
 - sesame
 - sunflowers, including oil and nonoil varieties
- peanuts.

B Base Acres

[7 CFR 1412.3] “Base acres” means, with respect to a covered commodity on a farm, the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B that were in effect on that date, subject to any reallocation, adjustment, or reduction. Unless specifically stated otherwise, the term “base acres”
--includes any generic base acres when planted to a covered commodity or are eligible--
subsequently planted crop acreage.

Base acres may be increased if CRP-1 applicable to the farm expires or is released by the Secretary. The adjustment in the base acres of a crop, if any, will be determined by the Secretary. With some exception for double-cropped acres, total base acres on a farm for all covered commodities and peanuts cannot exceed the amount equal to the currently available DCP cropland minus the amount of that cropland that is any of the following:

- in CRP

9 Basic Program Information (Continued)**B Base Acres (Continued)**

- in WRP
- enrolled in a Federal conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

Note: Base acres, including generic base acres, can only be reduced on CCC-505.

C Payment Acres

[7 CFR 1412.3] “Payment acres” mean:

- (1) For the purpose of ARC-CO and PLC, subject to planting flexibility provisions as specified § 1412.46, the payment acres for each covered commodity on a farm will be equal to 85 percent of the base acres for the covered commodity on the farm.
- (2) For the purpose of ARC-IC, subject to planting flexibility provisions as specified in § 1412.46, the payment acres for a farm will be equal to 65 percent of the base acres for all of the covered commodities on the farm.
- (3) For the purpose of CTAP under subpart H of this part, the payment acres for a farm are the base acres of upland cotton in effect on a farm on September 30, 2013, subject to any adjustment or reduction under this part.

D Payment Yield

[7 CFR 1412.3] “Payment yield” means for a farm for—

- (1) A covered commodity, the yield established under subpart C of this part; and
- (2) Upland cotton, the direct payment yield for upland cotton for the farm as of September 30, 2013.

Part 2 Base Acre Reductions**64 Base Acres Definition and Limitation****A Upland Cotton Base Acres Eligible for CTAP**

Crop years 2014 and 2015 producers on farms having effective 2013 upland cotton base acres on September 30, 2013, as specified under 7 U.S.C. 8713, subject to any adjustment of those 2013 upland cotton base acres are eligible to apply for CTAP payments according to this handbook.

Eligible CTAP payment acres are upland cotton base acres as of September 30, 2013, subject to any adjustment or reduction, and are equal to the generic base acres on the farm.

B Definition of Base Acres

[7 CFR 1412.3] “Base acres” means, with respect to a covered commodity on a farm, the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B that were in effect on that date, subject to any reallocation, adjustment, or reduction. Unless specifically stated otherwise, the term “base acres” *--includes any generic base acres when planted to a covered commodity or are eligible--* subsequently planted crop acreage.

C Limitation on Base Acres

The total of the following must not exceed the DCP cropland acreage on a farm, except to the extent there is an established double-cropping history on the farm:

- all base acres on the farm, including generic base acres
- any DCP cropland acreage enrolled in:
 - CRP
 - EWP
 - WBP
 - WRP

64 Base Acres Definition and Limitation (Continued)

C Limitation on Base Acres (Continued)

- any cropland enrolled in GRP
- any cropland acreage on the farm enrolled in any **Federal** conservation program for which payments are made in exchange for **not** producing an agricultural commodity.

Notes: Enrollment in State conservation programs has no impact on ARC/PLC or CTAP payments.

See subparagraph 426 I if the agreement allows haying and/or grazing on the land under normal conditions.

65 Base Acres Reductions

A Voluntary Permanent Base Acres Reduction

Note: Transition payment acres are equal to generic base acres. In the unlikely event that generic base acres are voluntarily reduced for reasons other than conservation or for reasons other than insufficient DCP cropland, the County Office must contact DAFP through the State Office for guidance.

OW's may permanently reduce base acreage, including generic base acres, at any time. A reduction:

- must be recorded on CCC-505

Note: Complete and process CCC-505 according to paragraph 66.

- may be for a part or all of 1 or more crops' base acres

Note: Each crop's base acres and generic base acres are recorded at the tract level. Therefore, OW's must designate the tract level reduction on CCC-505.

- is effective for the program year entered in CCC-505, item 4, when all applicable OW's signatures, including the signatures of OW's having an undivided ownership interest, are obtained on CCC-505

Notes: If CCC-505 is being completed as a result of entering into CRP, the effective date of CCC-505 is equal to the effective date of CRP-1.

File a copy of CCC-505 in the CRP folder.

Part 12 CTAP Payment Provisions

*--Section 1 Program Payment Provisions

650 General Provisions

A Introduction

This part contains the following:

- general provisions applicable to CTAP payments
- provisions for processing CTAP payment and overpayments
- information about the following Common Payment Reports:
 - Estimated Calculated Payment Report
 - Submitted Payments Report
 - Submitted Overpayments Report
 - Pending Overpayment Summary Report
 - Pending Overpayment Report
 - Nonpayment/Reduction Report
 - Insufficient Funds Report
 - Payments Computed to Zero Report
 - Payment History Report - Summary
 - Payment History Report – Detail.

B Obtaining FSA-325

FSA-325 shall be completed, according to 1-CM, by individuals or entities requesting payments **earned** by a producer who has died, disappeared, or been declared incompetent subsequent to applying for program benefits. Payments shall be issued to the individuals or entities requesting payment using the deceased, incompetent, or disappeared producer's ID number.

Note: If CCC-957 has been filed by the producer, a revised CCC-957 is **not** required when payments are issued under the deceased, incompetent, or disappeared producer's ID number.

C Administrative Offset

CTAP payments are subject to administrative offsets.

D Bankruptcy

State and County Offices shall contact the OGC Regional Attorney for guidance before issuing CTAP payments for all bankruptcy cases.--*

***--650 General Provisions (Continued)**

E Assignments

County Offices shall process assignments and joint payments according to 63-FI.

F Processing Payments

Payments shall be issued as soon as **all** of the following conditions exist:

- CTAP payment software is available
- producer has provided all required program documentation
- CCC-957 is approved
- program regulations are published.

G Funds Control Process

CTAP payments use the e-Funds accounting process which controls funding allotments by program year, monitors program spending, and halts program disbursements when the funding allocation has been exhausted.

The funds for CTAP payments will be controlled at the National level. If adequate funding is not available, those producers that cannot be paid will be listed on the Insufficient Funds Report in the Common Payment Reports System.--*

--650 General Provisions (Continued)*H e-Funds Access**

Funding for CTAP is established with the numeric accounting codes 2440.

The funding will be maintained at the National level and will **not** be allotted to individual counties; therefore, State Office specialists will **not** need access to this program.

I General Payment Policy

See 9-CM, Part 2 for general payment policy for the following:

- eligible ID types and business types
- payment eligibility
- cropland factor
- payment limitation
- joint operations and entities
- general provisions for overpayments.

J Submitting Payment Problems

If there is an issue with a CTAP payment, then State Office Specialists should update the applicable information to the payment problem SharePoint web site. The link for the payment problem SharePoint web site is

https://sharepoint.fsa.usda.net/mgr/dafp/PECD/Payment_Issues/default.aspx.

K Providing State Office Access to the Payment Problem SharePoint Site

State Office Specialists should request access to the payment problem SharePoint web site by e-mailing a request to **tina.nemec@wdc.usda.gov**, and providing the specific program areas of responsibility.

Note: CTAP has been added to the DCP/ACRE payment problem SharePoint web site so any State Office Specialists having access to the DCP/ACRE web site will also be able to update CTAP payment problems to the same site.--*

***--651 Payment Limitation Provisions**

A Payment Limitation Information for CTAP Payments

CTAP payments are limited to a maximum payment limitation amount per person or legal entity, and will be attributed through direct attribution.

See 5-PL, paragraph 17 for payment limitation amounts for a person or legal entity.

As each payment is processed through NPS, the available payment limitation for the person or legal entity will be reduced until:

- all CTAP payments are issued for the person or legal entity
- the maximum payment limitation has been attributed to a person.--*

***--652 Payment Subsidiary Eligibility Provisions**

A Introduction

The payment process reads the web-based eligibility system, for the year associated with CCC-957 to determine if a producer or member of a joint operation is eligible to be paid for that year. If the producer or member is ineligible to be paid, the payment will not be issued for that year and the producer or member will be listed on the Nonpayment Register with the applicable message.

Reminder: Eligibility determinations/certifications should accurately reflect COC determinations and producer certifications, as applicable.

B CTAP Subsidiary Eligibility

The following identifies web-based eligibility determinations applicable to CTAP payments and how the system will use the web-based subsidiary eligibility data for payment processing.

If a producer has multiple invalid subsidiary eligibility conditions, only the highest priority ineligible condition will be printed on the Nonpayment Register.

Eligibility Determination/Certification	Value	Eligible for CTAP Payment	Exceptions
Actively Engaged	Actively Engaged	Yes	
	Not Filed	No	
	Awaiting Determination	No	
	Awaiting Revisions	No	
	Not Actively Engaged	No	
AD-1026	Certified	Yes	
	Awaiting Certification	No	
	Not Filed	No	
	Good Faith Determination	Yes	
	COC Exemption	Yes	
	Awaiting Affiliate Certification	No	
	Affiliate Violation	No	
	Compliant Agent	Yes	
	Exempt	Yes	
	Not Filed	No	
	Not Met - COC	No	
	Not Met - Producer	No	

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*--652 Payment Subsidiary Eligibility Provisions (Continued)

B CTAP Subsidiary Eligibility (Continued)

Eligibility Determination/Certification	Value	Eligible for CTAP Payment	Exceptions
<p>AGI</p> <p>Note: AGI is not currently verified by the system. County Offices need to ensure that producers and members have certified to meeting the \$900,000 average AGI provisions on CCC-941 for 2014 CTAP before certifying or signing payments in NPS.</p>	Compliant Producer	Yes	<p>“Value” and “Eligible for CTAP Payment” information for AGI in this table will not be used by the system to determine AGI eligibility for payments, because AGI is not currently being verified by the system during the payment process. See AGI Note in this table.</p>
	Compliant Agent	Yes	
	Exempt	Yes	
	Not Filed	No, see Note	
	Not Met - COC	No, see Note	
	Not Met - Producer	No	
Cash Rent Tenant	Eligible	Yes	<p>If a determination is “Partially Eligible”, then a cropland factor payment reduction will apply.</p>
	Partially Eligible	Yes	
	Ineligible	No	
	Not Applicable	Yes	
	Awaiting Determination	No	
	Exempt	Yes	
Conservation Compliance – Farm/Tract Eligibility	In Compliance	Yes	
	Partial Compliance	Yes	
	In Violation	No	
	No Association	Yes	
	Past Violation	No	
	Reinstated	Yes	
Controlled Substance	No Violation	Yes	
	Growing	No	
	Trafficking	No	
	Possession	No	
FCIC Fraud	Compliant	Yes	
	Not Compliant	No	

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653-699 (Reserved)

Section 2 Processing CTAP Payments

*--700 CTAP Payments

A Supporting Files for Integrated Payment Processing

The CTAP payment process is a web-based integrated process that uses a wide range of information and other program determinations and values to determine whether a payment should be issued and the amount of gross payment, applicable reductions, and the net payment amount. For payments to be calculated correctly, all supporting files must be updated correctly, including **all** the following.

Type of Information	How Information Is Used for Payment Processing	Source
CCC-957 Data	The information from CCC-957 is used to compute the payment amount for the producer.	Web-based CTAP Application System
Payment Eligibility Information	Used to determine whether the producer and/or member of a joint operation is eligible for payment for the year in which CCC-957 was filed.	Web-based Eligibility System
General Name and Address Information	Used to determine the producer’s business type and general name and address information.	SCIMS
Entity and Joint Operation Information	Used to determine the following for the year in which CCC-957 is filed: <ul style="list-style-type: none"> • member contribution value • substantive change value • members and member’s share of the following: <ul style="list-style-type: none"> • entities • general partnerships • joint ventures. 	Business File
Combined Producer Information	Used to determine whether CTAP producers or members of entities or joint operations are combined with other producers. This information is used to ensure the payment limitation is controlled properly.	Combined Producer System
Available Payment Limitation	Used to determine payment limitation availability.	Payment Limitation System
Cropland Reporting Indicator	Used to determine whether the producer has met Cropland Reporting provisions.	Compliance System
Payment rate for the cotton	Used to determine the payment rate for cotton.	Program Parameter Table
Financial Related Information	<ul style="list-style-type: none"> • Calculated payment information is provided to NPS. • Determined overpayment amount may be provided to NRRS. 	NPS or NRRS

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***--700 CTAP Payments (Continued)**

B Prerequisites for Payments

Certain actions must be completed to ensure that the producer is eligible for payment. The following provides actions that must be completed to issue payments properly. COC, CED, or designee shall ensure that the actions are completed.

Step	Action
1	Ensure that CCC-957 has been approved and that the approval date has been recorded in the system according to paragraph 562.
2	Ensure that AD-1026 is on file for the applicable year for producers seeking benefits and the eligibility information is recorded in the web-based eligibility system.
3	Ensure that the applicable CCC-902 is on file and actively engaged determinations are completed according to 5-PL for the applicable year for producers and members of joint operations seeking benefits.
4	Ensure that CCC-941 is on file for the applicable year for producers seeking benefits and the certification information is recorded in the web-based eligibility system. See 5-PL.
5	Ensure that all other eligibility determinations have been updated according to the determinations made by COC for producers and members of joint operations. See 5-PL.
6	Ensure that joint operation and entity ownership structure information is updated in Business File for the applicable year. See 3-PL (Rev. 1).
7	Ensure that the member contribution and substantive change values are updated according to 5-PL.
8	Ensure that the combined producer files are updated correctly for the applicable year. See 5-PL.
9	Ensure that all assignments and joint payees have been updated in NPS if CCC-36, CCC-37, or both were filed for CTAP.

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*--700 CTAP Payments (Continued)

C ID and Business Type Eligibility

The following table provides the ID numbers and business types that are eligible for CTAP payments.

SCIMS Business Code	Business Type and/or Description
Social Security Numbers With the Following Business Types	
00	Individual
07	Trust-Revocable
22	LLC
Employer ID Numbers With the Following Business Types	
02	General Partnership
03	Joint Venture
04	Corporation
05	Limited Partnership
06	Estate
07	Trust-Revocable
10	Churches, Charities, and Non-Profit Organizations
13	Public Schools
17	Trust Irrevocable
18	Individual Operating as a Small Business
20	Indian Tribal Venture
22	LLC
Temporary ID Numbers With the Following Business Type	
15	Indians Represented by BIA

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***--700 CTAP Payments (Continued)**

D Eligible Commodities

The only commodity eligible for CTAP payments is upland cotton.

E Payment Rate for Upland Cotton

The payment rate for upland cotton is 0.09 per pound.

F Issuing Payments Less Than \$1

The CTAP payment processes will:

- issue payments that round to at least \$1
- **not** issue payments less than 50 cents.--*

***--701 Payment Processing**

A Computing Payment and Overpayment Amounts

The CTAP payment process is an integrated process that reads a wide range of files to:

- determine whether a payment should be issued or if an overpayment has occurred
- calculate the following:
 - gross payment amount
 - reduction amounts
 - net payment amount
 - overpayment amount.

The following describes the high level system processing sequence to calculate CTAP payments for producers.

Step	Action
1	Payment is triggered according to subparagraph B.
2	Determine whether there is an unsigned payment for the farm and producer in NPS, and if so, cancel the payment in NPS.
3	Determine the gross payment amount for the farm and producer according to subparagraph C.
4	Determine whether the producer is an entity or joint operation, and if so, obtain member information from Business File, if applicable.
5	Determine whether the producer and/or members are eligible for payment.
6	Provide the following to direct attribution for each farm and producer: <ul style="list-style-type: none"> • gross payment amount • program specific reductions • 1 reason, if producer is ineligible because of subsidiary eligibility provisions.
7	Direct attribution will determine the following: <ul style="list-style-type: none"> • reduction amounts • payment limitation availability • net payment or overpayment amount • reasons for nonpayment or overpayment.
8	Determine whether e-Funds are available for the payment.
9	Provide the payment amount to NPS, or update the overpayment amount to the Pending Overpayment Report.
10	Update applicable information to the Common Payment Reports. See 9-CM, Part 5 for information about the Common Payment Reports.

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***--701 Payment Processing (Continued)**

B Triggering Payments

Payment will be triggered through events that occur throughout the system. As a result, processing will now be behind the scenes for the most part. Calculations and determinations will occur during the evening and nighttime hours without users intervention. The following table provides trigger types and descriptions.

Trigger Type	Description
Initial	After release of the payment software, a process will automatically run to determine all CCC-957's that are approved for payment. This will initiate the process described in subparagraph A and does not require any County Office user interaction. <ul style="list-style-type: none"> • Payments will be sent to NPS for certification and signature. • Overpayment will be updated to the Pending Overpayment Report.
Primary	Once the initial payments are triggered, subsequent payments will be initiated when County Office users approve CCC-957. Entering the COC approval date initiates the payment process for the selected CCC-957's.
Secondary	Payments that cannot be issued during any payment process are sent to the Nonpayment Register. If a condition causing the producer to be on the Nonpayment Register is corrected, the payment will be triggered to reprocess to determine whether the payment can be issued.
Tertiary	The payment system will periodically recalculate all payments.

C Gross Payment Calculation

The gross payment for the farm, producer, and crop is determined by completing the following calculation for each producer that has a share in upland cotton on CCC-957:

- payment acres, times
- upland cotton yield, times
- producer share, times
- upland cotton payment rate.

The calculation results should be rounded to whole dollars.

Note: Gross payment amounts will be determined by the program application and will then be processed through direct attribution where subsidiary eligibility and other reductions are applied.--*

702-720 (Reserved)

--721 CTAP Payment Reports*A Displaying or Printing CTAP Reports**

CTAP Payment Reports are available to provide information about each payment, nonpayment, or overpayment. Most of the payment reports have information that is common between program areas, so information about these reports is provided in 9-CM. The Estimated Calculated Payment Report and the Payment History Report - Detail have program specific data so information for these reports are provided in this handbook. CTAP payment report information is available according to the following table.

Report Name	Type of Data	Reference
Estimated Calculated Payment Report	Live	9-CM, paragraph 52
Submitted Payments Report	Live	9-CM, paragraph 63
Submitted Overpayments Report	Live	9-CM, paragraph 64
Pending Overpayment Report	Live	9-CM, paragraph 65
Nonpayment/Reduction Report	Report Database	9-CM, paragraph 66
Insufficient Funds Report	Live	9-CM, paragraph 67
Payments Computed in Zero Report	Live	9-CM, paragraph 68
Payment History Report - Summary	Report Database	9-CM, paragraph 69
Payment History Report - Detail	Report Database	Paragraph 232

Note: See 9-CM, paragraph 52 for instructions on accessing the Common Payment Reports System.--*

***--722 Estimated Calculated Payment Report**

A Introduction

The Estimated Calculated Payment Report will include information about calculating the CTAP payment for each producer on the farm.

B Reviewing the Estimated Calculated Payment Report

County Offices shall access the Estimated Calculated Payment Report to view or print the calculated payment information for the farm or producers on the farm. The Estimated Calculated Payment Report process allows County Offices to view or print the Estimated Calculated Payment Report.

C Accessing the Estimated Calculated Payment Report

Access the Estimated Calculated Payment Report according to 9-CM, paragraph 52.--*

***--722 Estimated Calculated Payment Report (Continued)**

D Information Displayed/Printed on the Estimated Calculated Payment Report

The following information will be displayed and/or printed on the Estimated Calculated Payment Report.

Field	Description
Program Year	Year associated with CCC-957 that was filed by the producer.
Program Name	Program name, "CTAP".
State	State as selected.
County	County as selected.
Approved Contract	Indicator of "Y" or "N" provides status of whether CCC-957 is approved or not approved.
Cropland Reported	Indicator of "Y" or "N" provides status of whether all cropland has been reported and certified.
Farm Number	Farm number from CCC-957.
Producer Name	Name of the producer associated with the selection.
Crop	Crop name "Upland Cotton".
Payment Acres	Payment acres for upland cotton from CCC-957.
Payment Yield	Payment yield for upland cotton from CCC-957.
Producer Share	Producer share for upland cotton from CCC-957.
Payment Rate	Payment rate for upland cotton from the Program Parameter Table.
Calculated Payment	Calculated payment for the crop, which is the result of multiplying the following: <ul style="list-style-type: none"> • net payment acres, times • payment yield, times • producer share, times • payment rate.
Total Calculated Payment	Total upland cotton payment for the producer.

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723-729 (Reserved)

***--730 Payment History Report - Detail**

A Introduction

The CTAP Payment History Report - Detail is a report that provides detailed information about the CTAP payment for the farm and producer.

B Accessing the Payment History Report

Access the Payment History Report - Detail according to 9-CM, paragraph 52.

C Information on the Payment History Report - Detail

The following information will be displayed and/or printed on the Payment History Report - Detail.

Field	Description
Program Year	Year associated with CCC-957 that was filed by the producer.
Program Name	Program name, "CTAP".
State, County	State and county as selected.
Farm Number	Farm number from CCC-957.
Producer Name	Name of the producer associated with the selection.
ID / Type	Last 4 digits of the producer's ID number and type.
Business Type	Business type associated with the producer.
Producer Information	
Transaction Date	Date the payment was sent to NPS.
Type of Transaction	Type of transaction for the information displayed, such as "Payment" or "Receivable".
Crop	Crop name, "Upland Cotton".
Payment Acres	Payment acres for upland cotton from CCC-957.
Payment Yield	Payment yield for upland cotton from CCC-957.
Share	Producer share for upland cotton from CCC-957
Payment Rate	Payment rate for upland cotton from the Program Parameter Table.
Gross Payment	Calculated gross payment amount for upland cotton.
AGI Reduction	Amount of the payment reduced because of an AGI reduction.

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*--730 Payment History Report - Detail (Continued)

C Information Displayed/Printed on the Payment History Report - Detail (Continued)

Field	Description
Producer Information (Continued)	
Pay Limit Reduction	Amount of the payment reduced because of a payment limitation reduction.
Net Payment	Payment amount for upland cotton included in the payment sent to NPS for the farm or producer selected.
Net Payment Amount	Total upland cotton payment amount for the producer.
If the Payment History Summary Record selected is for an entity or joint operation, the following additional information will display/print for each member of the entity or Joint Operation.	
Crop	Crop name, "Upland Cotton".
Gross Payment	Calculated gross payment amount for upland cotton.
AGI Reduction	Amount of the payment reduced because of an AGI reduction.
Cropland Factor Reduction	Amount of the payment reduced because of a cropland factor reduction.
Pay Limit Reduction	Amount of the payment reduced because of a payment limitation reduction.
Member Contribution Reduction	Amount of the payment reduced because of a member contribution reduction.
Substantive Change Reduction	Amount of the payment reduced because of a substantive change reduction.
Member Level Reduction	Amount of the payment reduced because of a member level reduction.
Net Payment	Payment amount included in the total payment sent to NPS for the member.
Net Payment Amount	Total upland cotton payment amount for the member.

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731-739 (Reserved)

***--Section 3 Canceling CTAP Payments**

740 General Provisions for Canceling Payments

A Canceling Payments

After payment processing has been completed, County Offices shall review the NPS payment worklist to ensure that the correct payments have been generated. The user should complete the following if an error is determined:

- payment should **not** be signed in NPS
- condition causing the incorrect payment should be corrected.

Notes: User intervention is not allowed for the cancellation process.

If the:

- condition causing the incorrect payment is corrected, the system will automatically cancel the unsigned payment in NPS and recalculate the payment amount due
- payment amount is determined to be incorrect and the payment has been signed in the NPS System, the payment can no longer be canceled. The producer will be underpaid or overpaid once the condition causing the incorrect payment has been corrected.--*

741-749 (Reserved)

***--Section 4 Overpayments**

750 General Provisions for Overpayments

A Introduction

Overpayments will be determined during the CTAP payment calculation process. Overpayment information will be updated to the Pending Overpayment Report according to 9-CM, paragraph 65. The overpayment will remain on the Pending Overpayment Report for 20 workdays to allow time for correcting the condition that caused the overpayment. If the overpayment is a legitimate debt then the overpayment should be transferred to NRRS immediately.--*

***--751 Collecting Overpayments**

A Introduction

Overpayment amounts will be determined by farm and producer. Overpayments can occur for a number of reasons and County Offices are required to take necessary action to collect overpayments.

B Overpayments and Due Dates

The following table lists:

- situations that may cause an overpayment
- overpayment due dates.

Time of Determination	Situation	Overpayment Due Date
Any time.	Payment was issued for the wrong farm or producer.	Immediately
After something affecting the payment amount is changed on CCC-957.	The payment was issued and later something affecting the payment amount changes on CCC-957.	Immediately
After producer misrepresentation is determined.	Producer received a payment and COC determines that the producer misrepresented their interest on CCC-957.	Immediately
After payment limitation exceeded.	It is determined that the payment issued exceeds the producer's effective payment limitation amount.	Immediately
After an eligibility value changes that make the producer ineligible for payment.	Producer's eligibility value changes that makes the producer ineligible for payment.	Immediately
After cropland acres are changed so that all acres are not reported and/or certified on FSA-578.	Payment was issued and FSA-578 information is changed so that all acres are no longer reported and/or FSA-578 is no longer certified.	Immediately
Any time CCC-957 is canceled.	CCC-957 was canceled after payments were issued to the producer.	Immediately.

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--752 Charging Interest*A Introduction**

Interest shall be charged on all CTAP overpayments to producers who become ineligible after the producer's application was approved and the payment was issued.

B Ineligible Producers

A producer is considered ineligible if:

- COC determines that the producer:
 - erroneously or fraudulently represented any act affecting a determination
 - knowingly adopted a scheme or device that tends to defeat the purposes of the program
 - misrepresented their interest and subsequently received a CTAP payment
- the producer does not meet AGI provisions
- conservation compliance provisions are violated
- controlled substance provisions are **not** met
- substantive change provisions are **not** met.

Interest for ineligible producers will be charged from the date of disbursement. The system will compute this interest when the overpayment is established in NRRS.--*

***--752 Charging Interest (Continued)**

C When Not to Charge Interest

Interest will not be charged if the producer:

- is determined to be eligible
- returns the Treasury check without being cashed
- refunds the payment voluntarily.--*

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		7, 352, 429, 652, 700
AD-1153	Application for Long-Term Contracted Assistance Through the _____ Program		427
AD-2047	Customer Data Worksheet Request for SCIMS Record Change (For Internal Use Only)		332
CCC-36	Assignment of Payment		700
CCC-37	Joint Payment Authorization		700
CCC-505 (02-05-09)	Voluntary Permanent Direct and Counter-Cyclical Program (DCP) Base Acres Reduction		Parts 1, 2, 6, 7, Ex. 19
CCC-505 (02-21-12)	Voluntary Permanent Base Acres Reduction		Parts 1, 2, 6, 7, Ex. 19
CCC-505 (01-22-13)	Voluntary Permanent Base Acres Reduction		Parts 1, 2, 6, 7, Ex. 19
CCC-505 (06-23-14)	Voluntary Permanent Base Acres Reduction	66	Parts 1, 2, 6, 7, Ex. 19
CCC-510	Cash Rent Certification Statement	Ex. 14	352, 394, 402
CCC-770 CTAP	Cotton Transition Assistance Program Contract Checklist	Ex. 17	353
CCC-770 Eligibility	Eligibility Checklist		Ex. 17
CCC-855	Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP) and Livestock Forage Disaster Program (FLP) Lease Agreement Certification Statement		Ex. 14
CCC-902 Continuation	Continuation Sheet for Leased or Owned Land		7, 352, 700
CCC-902E	Farm Operating Plan for Entity 2009 and Subsequent Program Years		7, 352, 700
CCC-902I	Farm Operating Plan for Individual 2009 and Subsequent Program Years		7, 352, 700
CCC-903	Worksheet for Payment Eligibility and Payment Limitation Determinations		352

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-920	Grassland Reserve Program Contract		66, 427
CCC-941	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information		7, 352, 700
CCC-957	Cotton Transition Assistance Program (CTAP) Application	332	Text, Ex. 2, 14, 17
CRP-1	Conservation Reserve Program Contract		9, 65-67, 331, 425-427, Ex. 2
CRP-2	Conservation Reserve Program Worksheet		427
CRP-2C	Conservation Reserve Program Worksheet (for Continuous Signup)		427
CRP-15	Agreement for Reduction of Bases, Allotments and Quotas		67, 331, 425
FSA-155	Request for Farm Reconstitution		333, 398
FSA-156-EZ	Abbreviated 156 Farm Record and Tract Listing		426, 427, Ex. 19
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		400
FSA-578	Report of Acreage		Text, Ex. 17
FSA-911	Wetland Reserve Program Projected Base Acre Reduction Worksheet	Ex. 19	426

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviations	Term	Reference
ARC	Agricultural Risk Coverage	Parts 1, 2, 6, 7, Ex. 2, 14
CTAP	Cotton Transition Assistance Program	Text, Ex. 2, 4, 14, 17
EIN	employer ID number	561
ERSR	Electronic Repository of Security Request	403
OIP	Office Information Profiles	403

Definitions of Terms Used in This Handbook

Approved Status

Approved status means CCC-957 with:

- producer signatures for all shares
- an enrollment date entered in the system
- a COC approval date entered in the system.

Base Acre Payment

Base acre payment is a CTAP payment that is predicated on a farm's upland cotton base acres.

Base Acres

[7 CFR 1412.3] "Base acres" means, with respect to a covered commodity on a farm, the number of acres in effect on September 30, 2013, as defined in the regulations in 7 CFR part 1412, subpart B that were in effect on that date, subject to any reallocation, adjustment, or reduction. Unless specifically stated otherwise, the term "base acres"

***--includes any generic base acres when planted to a covered commodity or are eligible--* subsequently planted crop acreage.**

Cash Lease

A cash lease provides for only a guaranteed sum, certain cash payment, or a fixed quantity of the crop.

Contract or Application Period

Contract or application period means the compliance period specified for the contract or application for the particular program year, as designated on the contract or application. References to the "contract" or "application" period refer to the compliance period for the particular program year. The compliance period for the each program year is October 1 through September 30. For example, for the 2014 contract or application (and; therefore, for the 2014 program), the period begins on October 1, 2013, and ends on September 30, 2014.

Contract or Application Year

Contract or application year means the particular year of the particular contract or application based on the compliance period for the contract or application. The compliance year will run from October 1 to the following September 30 and will have the same name as the corresponding FY. For example, the 2014 contract year will be October 1, 2013, through September 30, 2014, and that year will also be considered the 2014 crop year.

Definitions of Terms Used in This Handbook (Continued)

Contracts or Applications

Contracts or applications are CCC-approved standard, uniform forms and appendixes specified by CCC that constitute the agreement for participation in CTAP or ARC/PLC.

Corn

Corn means field corn or sterile high-sugar corn. Popcorn, corn nuts, blue corn, sweet corn, and corn varieties grown for decoration uses are **not** corn.

Covered Commodity

Covered commodity means wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing), corn, grain sorghum, long grain rice, medium grain rice, pulse crops, soybeans, other oilseeds, and peanuts.

Crop Year

Crop year means the relevant contract or application year. For example, the 2014 crop year is the year that runs from October 1, 2013, through September 30, 2014, and references to payments for that year refer to payments made under contracts or applications with the compliance year that runs during those dates.

Cropland

Cropland is land that COC determines meets 1 of the following conditions:

- currently being tilled for the production of a crop for harvest
- Note:** Land that is seeded by drilling broadcast or other no-till planting practices shall be considered tilled.
- **not** currently tilled, but it can be established that this land has been tilled in a prior year and is suitable for crop production
 - currently devoted to a 1-row or 2-row shelter belt planting, orchard, or vineyard
 - in terraces that were cropped in the past, even though they are no longer capable of being cropped