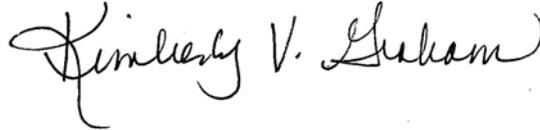


UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Cotton Transition Assistance Program 1-CTAP	Amendment 4
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Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 701 D has been added to provide sequestration percentages.

Page Control Chart		
TC	Text	Exhibit
	12-105 through 12-160	

***--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.

701 Payment Processing (Continued)

*--D Sequestering CTAP Payments

Sequestration applies to CTAP payments. The sequestration percentage is determined based on the original approval date for the CTAP application.

Note: The original approval date is the first approval date entered in the system for the CTAP application.

CTAP payments will be sequestered according to the following.

IF the original approval date for the 2014 CTAP application is...	THEN the sequestration percent applied to the payment is...
before October 1, 2014	7.2 percent
October 1, 2014, or after	7.3 percent.

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702-720 (Reserved)

