

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

General Program Administration
1-FLP (Revision 1)

Amendment 124

Approved by: Acting Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 161 C has been amended to update points of contact for PLCE and FMFI Help Desk assistance, including e-mail instructions when requesting PLCE funding.

Subparagraphs 162 B has been amended to clarify PLCE definitions.

Subparagraph 164 B has been amended to provide that former employees are required to register in SAM when working as a PLCE vendor.

Subparagraph 165 A has been amended to provide a list all forms that may be used when working with routine loan account maintenance PLCE's.

Subparagraph 166 A has been amended to provide forms that may be used when working with micropurchase and contractual PLCE's.

Subparagraph 167 C has been amended eliminate the AgLearn course requirements when obtaining FMFI access.

Subparagraph 167 F has been amended to clarify SAM exemptions.

Subparagraph 168 A has been amended to clarify that a new FSA 2126 is **not** required to initiate a modification or cancellation of a PLCE obligation.

Subparagraph 169 F has been amended to:

- clarify conditions under which an emergency check request is valid
- provide an additional contact for requesting emergency checks.

Amendment Transmittal (Continued)

Page Control Chart		
TC	Text	Exhibit
1, 2	7-1 through 7-6 7-9 through 7-14 7-14.5 and 7-14.6 (add) 7-15 through 7-24 7-27, 7-28	1, pages 5, 6

Table of Contents

Page No.

Part 1 Introduction and Purpose

1	Purpose and Sources of Authority	1-1
2	Related References.....	1-2
3	FLP Forms	1-4
4	FLP Organizational Structure	1-7
5	NFAOC Contacts	1-11
6-20	(Reserved)	

Part 2 FLP Authorities

21	Overview.....	2-1
22	General Delegation Requirements	2-2
23	State Office and Service Center Authorities.....	2-4
24	Delegating Appraisal Authority.....	2-7
25	Delegating Loan Approval Authority	2-8
26	Delegating Loan Servicing Authority.....	2-11
27	Maintaining Approval Authority	2-12
28	Establishing Credit Quality Standards.....	2-14
29	Maximum Loan Authorities.....	2-15
30-40	(Reserved)	

Part 3 Miscellaneous Procedures and Systems

41	Nondiscrimination in FLP.....	3-1
42	Appeals	3-6.8
43	Debarment and Suspension.....	3-10.5
44	Collecting and Coding Ethnicity, Race, and Gender Information.....	3-12
45	Allocating Loan Program Funds.....	3-14
46	Maintaining Borrower Addresses and Service Center Office Codes.....	3-19
47	Ensuring Borrower Compliance With Restrictions on Lobbying.....	3-20.5
48	Credit Reports	3-24
49	DLS	3-27
50	GLS	3-29
51	FOCUS.....	3-31
52	ADPS	3-32
53	CAIVRS.....	3-40.5
54	Oracle EPM 11 Data Mart	3-42
55	Type of Assistance and Fund Codes.....	3-42
56-59	(Reserved)	
60	Interest Rates.....	3-53
61-100	(Reserved)	

Table of Contents (Continued)

Page No.

Part 4 Supervised Bank Accounts

101	Overview.....	4-1
102	Establishing a Supervised Bank Account.....	4-3
103	Supervised Bank Account Transactions and Monitoring.....	4-5
104	Closing Accounts.....	4-8
105-120	(Reserved)	

Part 5 Planning and Performing Construction and Other Development

121	Overview.....	5-1
122	Borrower Requirements for Preparing a Construction and Development Plan...	5-2
123	Review of Proposed Construction and Development Plan.....	5-7
124	Inspections.....	5-9
125	Changing the Planned Development.....	5-11
126	Surety Bonds.....	5-12
127-140	(Reserved)	

Part 6 Appraisals

141	General Appraisal Requirements.....	6-1
142	Appraisal Reports.....	6-5
143	FSA Review of Appraisal Reports.....	6-8
144	Appeals of Decisions Based on Appraisals.....	6-13
145	Appraiser Qualifications.....	6-17
146	Appraiser Training Requirements.....	6-18
147	Training Requirements for Performing Administrative Appraisal Reviews.....	6-22
148-160	(Reserved)	

Part 7 PLCE's

161	Overview.....	7-1
162	Understanding PLCE.....	7-3
163	Allocating PLCE Funds.....	7-6
164	Obtaining PLCE Items.....	7-9
165	Processing Routine Loan Account Maintenance PLCE's.....	7-12
166	Processing Micropurchase and "Contractual" PLCE.....	7-15
167	FMMI.....	7-19
168	Modification or Cancellation of Obligation.....	7-23
169	Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments	7-24
170-200	(Reserved)	

Part 7 PLCE's

161 Overview

A Purpose

This Part describes procedures for:

- obligating and paying PLCE items
- processing PLCE requests for normal servicing and for purchases above and below Micropurchase thresholds
- handling concerns about vendor payments.

B Program Authority

Program authorities to request goods and services are located in Exhibit 25. Employees with program authority may redelegate their authority to any qualified employee.

If a State needs additional program authority above those granted in Exhibit 25, SED must send an e-mail to the appropriate point of contact as shown in subparagraph 161 C or by written request sent by FAX to 202-720-6797.

C PLCE and FMMI Help Desk Information

The National Office is the first point of contact for all PLCE and FMMI related inquiries as follows.

Point of Contact for PLCE and FMMI Inquiries		
PLCE Funding	Joe Marcoccia Jerry Moseman (primary) Ann Smith	*--joe.marcoccia@wdc.usda.gov jerry.moseman@wdc.usda.gov ann.smith@wdc.usda.gov
User Access	Ann Smith (primary) Anne Steppe	anne.steppe@wdc.usda.gov--*
General Inquiries	Ann Smith Anne Steppe	
Vendor Inquiries	Ann Smith Anne Steppe (primary)	
Lost Payments	Ann Smith Anne Steppe	

161 Overview (Continued)

C PLCE and FMMI Help Desk Information (Continued)

*--

Point of Contact for PLCE and FMMI Inquiries		
Emergency FMMI ZMY, TY, or PPA Approvals	Ann Smith Shanita Staten (primary) Anne Steppe (primary)	shanita.staten@wdc.usda.gov
Emergency PLCE Check Requests	Jerry Moseman Ann Smith (primary) Anne Steppe (primary)	
FMMI Remedy Tickets	Ann Smith Anne Steppe	

Note: When requesting PLCE funds, be sure to send an e-mail to all 3 points of contact according to the table.--*

D State Office Responsibilities

SED must issue a State supplement that:

- identifies the State PLCE Monitor responsible for overseeing PLCE and FMMI activity as described in subparagraph 161 E
- establishes and identifies method of certifying fund availability
- if applicable, covers State-specific requirements for handling UCC filings and lien searches **not** covered by the guidance in subparagraph 164 C
- covers State requirements for processing and accepting Micropurchases (as defined by Federal Acquisition Regulation (FAR) Part 13.1), as necessary.

E State PLCE Monitor Responsibilities

The State PLCE Monitor is not required to be a State Office FLP employee member; however, the State PLCE Monitor must be a person familiar with FLP loan making and loan servicing functions. The State PLCE Monitor is responsible for the following:

- ensuring the proper use of PLCE allocations and providing guidance to the Field Office as necessary
- working with the FLC in determining and documenting how the State’s allocation will best be used to meet program goals and objectives
- certifying funds availability
- overseeing the obligations and disbursements of PLCE-allocations by account to avoid violating the Anti-Deficiency Act

161 Overview (Continued)

E State PLCE Monitor Responsibilities (Continued)

- creating and modifying non-SAM vendor records in FMMI
- oversees processing FMMI purchase orders (ZMY), invoices (TY), and modifications
- acts as a liaison between FLP, contracting official, and appraisal staff to ensure that all involved parties follow Micropurchase request procedures, documentation requirements are met, and applicable Micropurchase review processes are followed
- post-payment adjustments
- responding to vendor inquiries.

162 Understanding PLCE

A PLCE Spending Chain

The components of the PLCE spending chain are defined as follows.

Component	Action
1	<p><u>Allocation</u> is funds that are apportioned to the agency and subsequently allocated to each State in 4 separate funds. Allocation to the State level is required before spending can occur.</p> <p>Note: See paragraph 163 for funds explanation.</p>
2	<p><u>Internal Budget Pre-approval</u> means authorized agency officials contact the State PLCE Monitor to certify availability of funds before incurring an expense on behalf of the agency or a borrower.</p> <p>Note: This step is by-passed when a delinquent real estate tax notice or delinquent personal property tax notice is received in the County Office.</p>
3	<p><u>Obligation</u> means once an order is placed, the agency has a legal responsibility or obligation to pay for the ordered goods or services. A purchasing document is used to purchase goods and services or pay for costs associated with servicing a farm loan and preservation of the agency’s security according to the signed loan documents. Obligations draw down available funds in the associated account in FMMI.</p>
4	<p><u>Invoice</u> is an accounts payable document that is used to pay for goods and services received and the disbursement of funds. Depending upon the type of expenditure, disbursements may occur after or simultaneously with the obligation document. Invoices reference and liquidate documents in the PLCE spending chain.</p>
5	<p><u>Disbursement</u> is handled by the National Finance Center. This step is driven by the vendor record and invoice document.</p>

162 Understanding PLCE (Continued)

B Definition of PLCE

*--PLCE are expenditures that relate to loan making, loan servicing, and inventory property activities and the provisions of the Promissory Note and Security Agreement for the preservation and protection of any security for the loan.

The way each authorized PLCE expense is handled depends upon the individual item cost and the type of goods or service needed.

- **Routine Loan Account Maintenance**, or “**noncontractuals**,” are those items **exempt** from FAR and Agriculture Acquisition Regulation provisions and **not** subject to a purchase threshold. These items have fixed costs and specific vendors, all of which are outside FSA’s control. Items in the “noncontractual” category include the following:--*
 - all items listed in Exhibit 25 under “Loan Account Maintenance”
 - State Database Access Fees
 - advertising property sales or posting legal notices for foreclosures, etc., when there is only 1 State or 1 local newspaper in which to post the required legal notice:
 - law enforcement services
 - ground rents
 - litigation guarantees
 - abstracts and/or stub abstracts
 - masters in equity
 - trustee agency (foreclosure)

*--**Note:** If a cost item is not found in the list above, it is not considered a Routine Loan Account Maintenance or “noncontractual” item.--*

- PLCE expenses with a per item cost **at or below** the Micropurchase threshold as defined in the FAR may be considered Micropurchases. Any PLCE cost item that **exceeds** the defined Micropurchase thresholds shown below will be referred to as “**contractuals**” for purposes of this Part.

The current Micropurchase thresholds are as follow.

- *--Supplies - \$3,500--*

The Maintenance and Management purpose category located in Exhibit 25 is the **only** area of PLCE under which supplies might be purchased.

162 Understanding PLCE (Continued)

B Definition of PLCE (Continued)

- Services - \$2,500

Almost everything related to loan making and loan servicing PLCE expenses falls under Services. Services include inspections, appraisals, analysis, and professional services. Credit reports also come under this category.

- Construction - \$2,000

Construction items are those needed for authorized repairs or maintenance to real property separate from supplies or services.

- *--Any PLCE cost item that **exceeds** the defined Micropurchase thresholds according to this subparagraph will be referred to as “**contractuals**” for purposes of this Part. Assistance from a warranted Contracting Officer is **required** for all “contractual” PLCE activity.

FAR 13.1 should be consulted to ensure that offices use the current Micropurchase thresholds at the time of action. Consulting the FAR is not a function of the State PLCE Monitor; State PLCE Monitors should work with their State contracting staff.--*

Note: Any PLCE item associated with an environmental issue will be discussed with the State Environmental Coordinator before proceeding under these instructions. Consultation with the National Office, the National Environmental Coordinator, and the State Contracting staff may be necessary.

C Expense Types

There are 2 types of PLCE’s:

- Recoverable PLCE’s are chargeable to either a borrower or inventory property account
- Nonrecoverable PLCE’s are **not** chargeable to a borrower or inventory property account.

See:

- Exhibit 25 for recoverable and nonrecoverable PLCE designations.
- subparagraphs 164 E and 164 F for additional guidance on recoverable cost items.

162 Understanding PLCE (Continued)***--D PAC**

Exhibit 25 provides a list of each authorized PLCE expense. Each expense item has an assigned unique 3-digit alphanumeric-character, which is required to obligate and control funds and track expenses. If there is a “Comment” annotated for the selected PAC, County Offices and State PLCE Monitors should review the Exhibit 25 “Note” section for usage clarification or application.

PAC’s are based upon whether the cost is related to loan making, loan servicing, or inventory property. All transactions fall under 1 of the following 3 categories.

- **Loan Making PAC’s** are applicable during the loan application process only. Once a loan is closed, it becomes a loan servicing action.
- **Loan Servicing PAC’s** are applicable from the point of loan closing through the final disposition of the loan.
- **Inventory Property PAC’s** are applicable only **after** FSA has taken the property into inventory, **not** during the acquisition process. Any PLCE item incurred on behalf of FSA during the acquisition process (foreclosure, voluntary conveyance, etc.) is a **loan servicing action** and is charged to the borrower’s account, **not** the inventory property. This includes accrued or delinquent taxes, attorney fees, or any other expense related to the security **prior** to the date taken into Government inventory.--*

E Historical PAC Reference

PACs found in Exhibit 26 were made obsolete effective October 1, 2010. For loan servicing purposes, Exhibit 26 is retained for historical reference only.--*

163 Allocating PLCE Funds**A National Office Allocation of PLCE Funds to States**

The National Office allocates PLCE funds to each State or group of States that has FLC. PLCE funds are not suballocated to the County Office level. The most recent allocations and balances are available in FMMI using the Availability of Funds Control Report which may be accessed according to the following FMMI pathway: **Funds Management > Reports > Budget Preparation and Planning > Budget Availability Control.**

--164 Obtaining PLCE Items*A Current Employees as Vendors**

Employees are permitted to incur costs on behalf of FSA to obtain copies of courthouse documents provided **prior budget approval is obtained** from the PLCE Monitor. If preapproval of the expenditure is not received from the PLCE Monitor, the cost may not be reimbursable.

FLC or designee will sign FSA-2126 for all employee reimbursement requests.

Employees will **not**:

- act as a vendor for “convenience” of the office, applicant, or borrower
- act as a vendor whenever “L”, “R”, or “S” funds are used
- be asked or required to use personal funds for miscellaneous expenses with repayment through PLCE funding at a later time
- be a vendor when an expense can be handled through normal PLCE processes, i.e., ordering a Treasury check
- file for reimbursement of any PLCE on a travel voucher, SF-1164, or by any other means other than the FSA-2126.

Note: FSA employee records are already in FMMI. A Federal employee requesting reimbursement will **not** have a vendor record created using the FSA-2173.

B Former Employees as Vendors

Restrictions on post-FSA employment are designed to address certain activities that involve, or may appear to involve, the unfair use of prior FSA employment. These restrictions apply to a former FSA employee as a PLCE vendor and depend upon a number of factors, such as position(s) and duties during FSA employment and the type of work a former employee may do as a PLCE vendor. There are 3 basic considerations.

- Lifetime ban for any employee who had oversight authorities, and/or was deeply involved with a particular borrower or situation.
- Two-year ban for persons not having oversight or personal involvement in loan making, loan servicing, or inventory property decisions in a particular area.
- One year ban for all employees who will work for FSA as a vendor in an area in which there was no direct or substantial involvement and decision making in loan making, loan servicing, or inventory property.--*

164 Obtaining PLCE Items (Continued)

B Former Employees as Vendors (Continued)

In all instances, no former employee may work in any county in which they were involved in loan making, loan servicing, or inventory property decisions.

In **every** instance of former FSA employees being considered for hire as a PLCE vendor, the State Office **must** contact the National Ethics Program Manager for FSA for specific directions and permissions. The Office of Ethics may be reached by telephone at 202-205-2102, and by e-mail at **Ethics-Farm-FSA@oe.usda.gov**.

See 3-PM and 18 USC 207 for additional guidance on employing former FSA employees as PLCE vendors.

***--Note:** Former Government employees are **not** exempt from the SAM registration requirement. All former employees are subject to registering in SAM if working in a vendor capacity.--*

C Guidance for Electronic UCC Transactions

State Offices may establish accounts with the Secretary of State's office using a draw-down process to meet UCC electronic and central filing requirements. "R" funds are used for this purpose.

In States where the Office of the Secretary of State has decided to use credit card only transactions, the PLCE Monitor will work with the Secretary of State to find an alternative to credit card transactions. If there is no alternative payment option available, third party processors may be used, for an additional fee, to handle FLP UCC needs.

When using third party processors, third party processor fees are an administrative cost of doing business and paid using "A" funds separate from the UCC filing and lien search fees. Loan applicants and borrowers are responsible only for the cost of the UCC filing, **not** the processing fee. FSA must incur the processor fee because it **cannot** comply with a credit card requirement.

If a UCC is being renewed for an account in foreclosure using "L", "R", or "S" funds, separate FMMI transactions will be processed for that specific UCC filing. The PAC to use is '2N5'. Likewise, if there is no collection of UCC fees, the cost is charged against a borrower's account, using PAC '2N5'.

When the borrower remits payment for an electronic UCC filing which is sent to the Finance Office with a miscellaneous collection code of 36 or 38, the PAC code '1NE' or '2NE' is used.

If an error is made on a UCC or other legal document, the cost of the correction is a nonrecoverable item. "A" funding and the PAC code "2N5" are used.

--164 Obtaining PLCE Items (Continued)*D Refunding Credit Report Fees**

When credit report fees are collected and deposited, and the credit report is never obtained, reimbursement to the applicant is **not** a PLCE function. Whenever money is transmitted successfully to NFC, the refund **must** come from the same office. County Offices shall submit a request for refund to their account technician who services their Sate according to paragraph 5.

E Using Recoverable Cost Items

FSA charges recoverable PLCE's to specific loans, except ARRA ("Stimulus") loans.

Only "S" account funds are used to obligate and pay PLCE expenses for ARRA ("Stimulus") loans. The use of "L" or "R" funds for ARRA ("Stimulus") loans is **not** authorized.

When a specific recoverable PLCE applies to more than 1 loan, the oldest outstanding loan, which is the loan with the earliest obligation date, for which the security associated with the charge is attached, will determine which recoverable account ("L" or "R") is used. For a rescheduled or reamortized loan, always use the **original loan obligation date** to determine which account is used.

Note: Interest accrues at the same interest rate as the loan associated with the charge.

F ADPS Transactions for Recoverable Cost Items

When a recoverable cost item is charged back to a direct OL, ML, or EM loan, a new "loan" is created on the borrower's account. The loan number will be between 75 and 99, starting backwards from 99. The ADPS TC 1L is associated with the charge.

When the loan being charged is a direct FO loan, the PLCE charge is reflected as an advance on the loan; a separate "loan" is not created. The transaction is identified by ADPS TC 1L in the borrower's online history.

When a PLCE charge falls under Inventory Property, ADPS TC 1X reflects the charge.

PLCE charges on Judgment accounts are shown as a ADPS TC 1I transaction.--*

165 Processing Routine Loan Account Maintenance PLCE's**A Forms**

*--Forms associated with processing Routine Loan Account Maintenance PLCE's include the following.

- **FSA-2126**, which is the only form required to initiate PLCE requests for routine loan account maintenance, or “noncontractuals” as described in subparagraph 162 A.
- **FSA-2171**, which is the substitute invoice and will be used only in instances where there is **no** existing vendor invoice; vendor invoice information is never transferred to FSA-2171.
- **FSA 2172**, see subparagraph 169 G for guidance on requesting Emergency PLCE vendor checks.
- **FSA 2173**, which is used when necessary to establish a vendor record (PVND) in FMMI. See the FMMI User Guide for guidance on PVND entries.--*

B Filing Requirements

FSA-2126 and any documents related to recoverable cost items should be filed in the borrower's case file and treated as a debt instrument.

It is recommended that PLCE documents involving the use of “A” funds be filed in the borrower's case file as part of the running record of actions taken on behalf of the borrower or applicant. Documents for nonrecoverable cost items are not debt instruments.

County and State Offices should establish and maintain an operational file for PLCE activity according to 25-AS.

Tracking systems to monitor State PLCE budget activity is recommended.

C Vendor Selection

There is no vendor selection process for routine loan account maintenance. For an item to fall under this category, the vendor and cost are outside FSA's control.

D FMMI

The PLCE Monitor and State FMMI users should refer to the FMMI User Guide for additional guidance and automation instructions, which are not addressed in the administrative workflow process provided in subparagraph 165 E.

165 Processing Routine Loan Account Maintenance PLCE's (Continued)

E Workflow Process for “Noncontractual” Expenses

In general, routine loan account maintenance PLCE requests are immediately due and payable. Simultaneous obligations and disbursements for “noncontractual” items are common and permissible.

Note: Tax notices and other documents from the vendor source are considered invoices and this information should **not** be transferred to FSA-2171. Always use the original documentation to support the obligation whenever possible.

Authorized Agency Officials shall take the following steps for routine loan account maintenance PLCE items.

*--

Step	With Invoice	Invoice Pending
1	<p>Authorized Agency Official is notified or receives notification of PLCE need and refers to Exhibit 25 for authorization and terms.</p> <p>If AAO is uncertain if or how to proceed, AAO will contact State PLCE Monitor for guidance.</p>	<p>Authorized Agency Official determines, or is notified of, PLCE need and refers to Exhibit 25 for authorization and terms.</p> <p>If AAO is uncertain if or how to proceed, AAO will contact State PLCE Monitor for guidance.</p> <p>Note: State PLCE Monitor must be contacted before incurring an expense not triggered by an automatic billing (tax notice, for example). AAO's may not commit the Agency to, or expect reimbursement without proper prior authorization.</p>
2	<p>Authorized Agency Official completes and signs FSA-2126 and attaches invoice, and any other necessary documentation related to the PLCE. Documents are sent to the State PLCE Monitor for further processing.</p>	<p>Authorized Agency Official completes FSA-2126, and, along with any other necessary documentation related to the PLCE, sends request to the State PLCE Monitor for processing.</p>
3	<p>State PLCE Monitor receives and reviews FSA-2126 for accuracy, completeness, and validity, consulting with the Farm Loan Chief, as necessary.</p>	<p>State PLCE Monitor receives and reviews FSA-2126 for accuracy, completeness, and validity, consulting with the Farm Loan Chief, as necessary.</p>
4	<p>State PLCE Monitor certifies budget availability. If approved, the PLCE process continues.</p>	<p>State PLCE Monitor certifies budget availability. If approved, the PLCE process continues.</p>

--*

165 Processing Routine Loan Account Maintenance PLCE's (Continued)

E Workflow Process for "Noncontractual" Expenses (Continued)

*--

Step	With Invoice	Invoice Pending
5	PLCE request is processed and posted in FMMI, creating a ZMY obligation using the FMMI User Guide as reference. Note: National Office support is available for approvals only on an as-needed basis.	PLCE request is processed and posted in FMMI, creating a ZMY obligation using the FMMI User Guide as reference. Note: National Office support is available for approvals only on an as-needed basis.
6	Invoice is processed and posted in FMMI, creating a TY payment document as shown in the FMMI User Guide.	A copy of the budget-approved FSA-2126 and associated FMMI transaction documents are returned to the requesting office.
7	A copy of the-approved and completed FSA-2126 and FMMI ZMY and TY transaction documents are returned to the requesting office for placement in file(s). Note: National Office support is available for approvals only on an as-needed basis.	Once county office receives invoice, using FSA-2126, forwards invoice to the State PLCE Monitor with a signed request for payment and copy of the original FSA-2126.
8	END	Invoice is processed and posted in FMMI, creating a TY payment document as shown in the FMMI User Guide.
9		A copy of the completed FSA-2126 and FMMI TY invoice transaction document are returned to the requesting office for placement in file(s).
10		END

--*

--166 Processing Micropurchase and “Contractual” PLCE*A Forms**

Forms associated with processing micropurchase and “contractual” PLCE cost items include the following.

- **FSA-2126**, which is the only form required for PLCE requests **below** the Micropurchase threshold limits described in subparagraph 162 A. For Micropurchases determined to be **above** the threshold limits, FSA 2126 is used to **initiate** PLCE requests. Any additional documents required to complete the purchasing process will be prepared by the State Contracting Officer or Contracting Official.
- **FSA-2172**, see subparagraph 169 G for guidance on requesting Emergency PLCE vendor checks.

All vendors operating under this subpart are expected to provide their own invoice document; therefore, FSA-2171 should not be necessary.

FSA-2173 is **not** used in this process; all vendors operating under this subpart **must register in SAM**. Agency officials should **not** collect this information.--*

B Additional Requirements

Additional documentation to FSA-2126 may be required depending upon the PLCE need. Authorized Agency Officials will follow established procedures according to paragraph 141 and subparagraph 161 D, as applicable.

--166 Processing Micropurchase and “Contractual” PLCE (Continued)--

C Filing Requirements

FSA-2126 documents related to recoverable cost items should be treated as a debt instrument and filed in the borrower’s case file.

It is recommended that PLCE documents involving using “A” funds be filed in the borrower’s case file as part of the running record of actions taken on behalf of the borrower or loan applicant. Documents for nonrecoverable cost items are not debt instruments.

County and State Offices should establish and maintain operational files for Micropurchase PLCE activity in accordance with Handbook 25-AS.

Tracking systems to monitor State PLCE budget, Micropurchase transactions, and vendor selections should be established.

--166 Processing Micropurchase and “Contractual” PLCE (Continued)--**D Vendor Selection**

In addition to requesting PLCE obligations and disbursements, FSA-2126 is used to record associated vendor contacts and quotes.

Authorized Agency Officials will contact appropriate vendors to obtain quotes for the required good or service. The amount of the cost quote provided by the vendors determines how many quotes must be obtained.

If the first vendor provides a cost quote *below* the given Micropurchase threshold, and that vendor is qualified and able to perform the task within the given timeframe, additional vendor quotes are **not** necessary. Single source vendor selection may be justified on FSA-2126.

If the first vendor contacted provides a cost quote above the Micropurchase threshold, authorized agency officials must obtain 2 additional quotes from qualified vendors, for a total of 3 cost quotes.

Note: All Authorized Agency Officials must ensure that vendor selections are rotated so no 1 vendor receives all requests for goods or services. Low bid is **not** a sufficient reason to select repeatedly 1 particular vendor over others; equal consideration to other qualified and available vendors must be given. The PLCE Monitor will work with the appraisal staff and contract team, as necessary, to ensure that vendor selection is fair and equitable, and that the Government receives a fair and reasonable price.

--166 Processing Micropurchase and “Contractual” PLCE (Continued)--

E FMMI

The PLCE Monitor and State FMMI users shall see the FMMI User Guide for additional guidance and automation instructions, which are not addressed in the administrative workflow process provided in subparagraph 166 F.

F Workflow for Micropurchases

Step	Below Threshold	Above Threshold
1	Authorized Agency Official determines PLCE need and refers to Exhibit 25 for authorization and terms. If AAO is uncertain if or how to proceed, AAO will contact State PLCE Monitor for guidance.	Authorized Agency Official determines PLCE need and refers to Exhibit 25 for authorization and terms. If AAO is uncertain if or how to proceed, AAO will contact State PLCE Monitor for guidance.
2	Authorized Agency Official calls or e-mails vendor(s) for price quote and availability. Vendor contacts are recorded on the FSA-2126.	Authorized Agency Official calls or e-mails vendor(s) for price quote and availability. Vendor contacts are recorded on the FSA-2126.
3	FSA-2126 is completed, signed, and forwarded to State PLCE Monitor for budget approval, along with supporting documentation as applicable.	FSA-2126 is completed, signed, and forwarded to State PLCE Monitor for budget approval, along with supporting documentation as applicable.
4	State PLCE Monitor receives and reviews FSA-2126 for accuracy, completeness, and validity, consulting with the Farm Loan Chief or other Agency Official as necessary.	State PLCE Monitor receives and reviews FSA-2126 for accuracy, completeness, and validity, consulting with the Farm Loan Chief or other Agency Official as necessary.

--166 Processing Micropurchase and “Contractual” PLCE (Continued)--

F Workflow for Micropurchases (Continued)

Step	Below Threshold	Above Threshold
5	State Office certifies budget availability and approves FSA-2126.	State Office certifies budget availability and forwards the approved and signed FSA-2126, along with other required information, to the State’s Authorized Contracting Official according to procedures provided in paragraph 141 or subparagraph 161 D.
6	State Office inputs FMMI purchase order (ZMY), as provided in the FMMI User Guide, and annotates the ZMY document number on the FSA-2126. Note: National Office support is available for approvals only on an as-needed basis.	Authorized Contracting Official coordinates with other Agency Officials as necessary. Authorized Contracting Official sends the purchase order to selected vendor for vendor’s acceptance signature.
7	Original signed and approved FSA-2126 and copy of the FMMI ZMY document is returned to the Service Center.	Authorized Contracting Authority sends the signed purchase order with award letter to the vendor, with copies to the State PLCE Monitor and others, for placement in file(s) and additional processing
8	Service Center Authorized Agency Official sends selected vendor an e-mail confirming quoted price and authorization to perform work, along with any additional directions necessary for the completion of the work.	State Office inputs FMMI purchase order (ZMY) as provided in the FMMI User Guide and annotates the ZMY document number on FSA-2126 Note: National Office support is available for approvals only on an as-needed basis.
9	Vendor completes PLCE task and submits invoice with completed goods or services to the Service Center.	FSA-2126 and copy of the FMMI ZMY document are returned to the Service Center for placement in file(s) and to Contracting Official and others as determined by established procedures.
10	Service Center Authorized Agency Official follows established procedures as provided in paragraphs 141 or 161 D to certify receipt and acceptance of goods or services.	Vendor completes PLCE task and submits invoice with completed goods or services to the Service Center.

--166 Processing Micropurchase and “Contractual” PLCE (Continued)--

F Workflow for Micropurchases (Continued)

Step	Below Threshold	Above Threshold
11	Upon accepting PLCE goods or services, Authorized Agency Official will attach a copy of vendor invoice to FSA-2126 and request payment. FSA-2126, with invoice, is sent to PLCE Monitor for vendor payment.	Service Center Authorized Agency Official follows established State procedures as provided in paragraph 141 or subparagraph 161 D to certify receipt and acceptance of goods or services.
12	State Office inputs FMMI invoice document TY and annotates the TY document number on FSA-2126 as provided in the FMMI User Guide. Note: National Office support is available for approvals only on an as-needed basis.	Upon completing the formal review process, FSA-2126 requesting payment to vendor and copy of vendor invoice is forwarded to the PLCE Monitor for entry into FMMI.
13	Completed FSA-2126 and copy of the FMMI TY document is returned to the Service Center for placement in file(s).	State Office inputs FMMI invoice document TY as provided in the FMMI User Guide and annotates the TY document number on the FSA-2126. Note: National Office support is available for approvals only on an as-needed basis.
14	End	Completed FSA-2126 and copy of the FMMI TY document is returned to the Service Center and other Agency Officials, as applicable, for placement in file(s).
15		End

*--167 FMMI

A Background

FMMI is a commercial off-the-shelf web-based financial management system that provides online, real-time transaction and on-demand query capabilities. FMMI is a comprehensive system for all of USDA's financial and accounting functions.

PLCE data recorded in FMMI includes:

- State allocations in 4 PLCE funding accounts
- purchase order obligations
- invoices
- disbursements
- accounting adjustments made through purchase order or invoice modifications
- penalty interest
- manual disbursements
- post payment adjustments
- canceled checks
- vendor records
- FSA client records.

Borrower and property loan information is validated and stored in the BOPR table in FMMI to ensure that applicable customer data is accurate at obligation and back-fed correctly to PLAS.

SED shall ensure that an adequate number of employees are trained, delegated authority, and have the proper security clearance, user ID, and password to input and approve transactions using FMMI, which requires 2 employees to successfully process all transactions. Any FLP employee, as identified by FLC, may be selected and trained as a FMMI user. A contracting warrant is not needed for FMMI access or to process any PLCE transaction in FMMI.--*

167 FMMI (Continued)

B User Assistance

The FMMI User’s Guide can be referenced for specific questions and may be obtained by accessing the FLP web site at

<http://fsaintranet.sc.egov.usda.gov/fcad/Manuals/FMM %20User Guide V109272012.pdf>.

CLICK “Manuals” located on the left navigation bar.

C Requesting FMMI Access

Access to FMMI is obtained by the following steps.

*--

Step	Action
1	Log-in to the FMMI portal and complete the self-certification.
2	Using secure e-mail procedures, submit the following documents: <ul style="list-style-type: none"> • screen print of AgLearn history showing completion of all required FMMI self-paced courses • self-certification that the online training guides have been reviewed • completed and signed FSA 13-A • completed and signed FSA-FM1, which is obtained from the contacts listed in subparagraph 161 C. The documents shall be submitted to either of the following: <ul style="list-style-type: none"> • Anne Steppe at anne.steppe@wdc.usda.gov • Ann Smith at ann.smith@wdc.usda.gov.
3	Upon receipt of the required documents, the National Office will process a user access request through the FMMI portal.
4	NFC completes the user access request and notifies employee.

--*

--167 FMMI (Continued)*D FMMI Vendor Identification Number**

All vendors must have a FMMI vendor identification number assigned before processing FMMI obligations and disbursements. The FMMI vendor identification number is an FMMI-generated unique number used to identify vendors, organizations, and persons to whom USDA makes payments or from whom USDA collects receivables.

Vendors who do not fall within the SAM exemptions given in subparagraph 167 F must register in SAM as required. Use the FMMI-generated vendor ID number associated with the SAM record containing the vendor's remittance information for FMMI obligations and disbursements.

Note: The State Office will not create another vendor record using the Pre-Approval Vendor process for a SAM-registered vendor.

Additional information about SAM registration may be found at <https://www.sam.gov/portal/public/SAM/>.

State Offices shall access the FMMI vendor table using the FMMI View Vendor Master Data function found in FMMI at:

- **Purchasing**
- **Commercial Vendor and Customer Master Data Evaluation**
- **Vendor/Customer Master Data > View Vendor Master Data.**

A search may be conducted on the vendor's Social Security number, TIN, vendor's name, city and State of vendor location, or a combination of these identifiers. When searching by name, an asterisk (*) may be used as a wild card in the search string.

If the vendor is SAM-exempt, and is not located in FMMI, the vendor shall complete FSA-2173. Enter vendor requests into FMMI using the Vendor and Customer Master Data Request Screen. Concerns about FMMI vendor identification numbers can be addressed with LMD.--*

--167 FMMI (Continued)*E Using EFT**

DCIA of 1996 mandates using EFT as the payment method for Government disbursements. EFT enables FSA to pay for goods and services electronically by direct deposit.

FAR and Treasury regulations at 31 CFR Part 208 allows the following exemptions to the EFT requirement:

- Federal, State and local Government vendors
- Federal employees
- nonemployee travelers
- foreign vendors not operating on U.S. soil
- individuals that do not have an account at a financial institution
- operational hardship.

Note: Operational hardship applies if the vendor's regular business process will be severely hindered by receiving payment through EFT.

F SAM Exemptions

Prospective vendors must be registered in SAM **before** the award of a basic ordering agreement.

*--There are only 3 exemptions to this requirement for PLCE transactions, as follows:

- PLCE "noncontractual" vendor
- "**Current**" Federal employees
- vendors paid for Micropurchases that do not use EFT.--*

168 Modification or Cancellation of Obligation

A Modifying or Canceling an Obligation

State Office shall see the **FMMI Document Chain Report** to confirm the status of the Purchase Order or Invoice requiring modification.

Note: If making a Vendor change, a new Purchase Order and ZMY transaction is required. The original ZMY must be modified in FMMI to reflect a \$0.00 line item amount.

To initiate a modification or cancellation of an obligation, the County Office will submit * * * FSA-2126 to the PLCE Monitor for processing in FMMI. Contracting Officers should be informed of any modification or cancellations of contractual requests.

The process for modifications or cancellations of current FY obligations is as follows.

Document Status	Action
Obligation (ZMY) with No Disbursement.	Obligation Modification/Obligation Change.
Obligation (ZMY) with Partial Disbursement – 1 Line Item.	Obligation Modification/Obligation Change. If changing Amount , new line amount may not go below available balance.
Obligation (ZMY) with Partial Disbursement – Multiple Line Items.	If line item(s) have been paid and remaining line item(s) require change, process Obligation Modification/Obligation Change . If line item to be changed has been paid in full, process Post-Payment Modification for that line item only.
Obligation (ZMY) with Full Disbursement of All Line Items.	Post-Payment Modification.
Invoice TY with No Treasury Activity.	Pre-Payment Modification/Invoice Change.
Invoice TY with Treasury- in-Transit (TI) or TC.	Post-Payment Modification.

Additional guidance is located in the FMMI User Guide.

--169 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments*A Stopping Payments for Funds Not Issued**

If the scheduled pay date for the posted TY document is within **3 workdays** of the current date, a payment **cannot** be stopped. The scheduled date is found using the FMMI Document Chain Report and is calculated based on the payment terms and “Baseline Date.”

Example: The Document Chain Report shows a baseline date of 03-16-2012. The current date is 04-18-2012. Payment terms are PP30. The payment cannot be stopped because the current date is within 3 workdays of the baseline date and payment terms of “net 30 days.”

If the invoice TY document:

- has not been posted, process a purchase order modification to cancel the original ZMY transaction
- is posted, and the FMMI Document Chain Report does **not** reflect TI or TC entries for the TY:
 - process an invoice modification to cancel the original TY transaction
 - if the purchase order is no longer wanted, a purchase order modification to cancel the obligation will be necessary
- is posted, and TI or TC entries **are** found in the FMMI Document Chain Report, contact the vendor for the return of funds.

B Inquiring on Mishandled or Lost Disbursement

When a vendor notifies the Agency that a payment was not received, the PLCE Monitor should:

- run the document Chain Report for the TY transaction
- fully expand the report to see every entry

Note: Look for a TC entry. The payment date must be **more than 10 business days** from the current date to be considered missing.

- verify that there is no TR or KZ for the TY
- determine if the funds were sent to the vendor’s correct “Remit To” address, if paid by paper check
- determine if the funds were sent to the vendor’s current bank account, if paid by EFT.--*

***--169 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments
(Continued)**

E Canceling Non-U.S. Treasury Check

Do not send personal checks or third party checks back to Treasury.

Along with a completed and signed FSA-2072 for the transaction being cancelled, the third-party or personal check for full or partial refund will be sent to:

USDA/Rural Development
Cash Management Collections Branch
4300 Goodfellow Boulevard, FC-1411
St. Louis, MO 63120

The Cash Management Collections Branch will then provide the information to the AFCB to manually input the cancellation into FMMI. AFCB will notify the State Office of the cancellation so the State Office can cancel the obligation in FMMI.

F Requesting an Emergency Check

Using the **ACCP payment term** on the TY document works as quickly as an emergency check request and is the **preferred** method of processing emergency check requests.

Emergency checks will **not** be requested for items covered by DLS workflows, such as UCC renewals. Field Offices should request assistance through the normal PLCE process at least **30 days in advance** of the UCC deadline to ensure that timely payment is received. Using the ACCP payment term on the invoice should be used in these instances; see the FMMI User Guide for guidance on processing an invoice under ACCP terms.

Emergency check requests should be a rarity and used **only** in true emergency situations, such as:

- an **unexpected** foreclosure sale, U.S. Marshal's sale, or similar
- ***--delinquent real estate taxes (to protect FSA's interest, and **only** in States with **no** Right of Redemption)--***
- FMMI system issue or other problem affecting the ability to process a timely TY document.

169 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)**F Requesting an Emergency Check (Continued)**

To order an emergency check, the State Office will do **all** of the following:

- post the ZMY document before requesting the emergency check from NFAOC
- FAX the completed FSA-2126, completed FSA-2172, and the Document Chain Report to the Direct Loan Division at ECM FAX number 314-457-4539
- Send an e-mail to **all 4** of the following contacts notifying them of the emergency check request and request that copies are sent of FSA-2126, FSA-2172, and the Document Chain Report to AFCEB at **RD.DCFO.FCB2@STL.USDA.GOV** for the manual input of the check request into FMFI:
 - Shantaye Gladney - **shantaye.gladney@stl.usda.gov**
 - Kathryn White - **kathryn.white@stl.usda.gov**
 - Betty Nunnery - **betty.nunnery@stl.usda.gov**
 - *--Sharon Maull - **sharon.maull@stl.usda.gov**--*

Note: State Offices will **not** enter the TY transaction into FMFI.

G Missing Vendor 1099

Vendors inquiring about a 1099 tax form are to be directed to the 1099 Help Desk. The 1099 Help Desk may be reached by either of the following:

- e-mail to **1099helpdesk@usda.gov**
- telephone at 1-800-421-0323.

170-200 (Reserved)

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
DCIB	Debt Collection Improvement Branch, NFAOC	4, 444, Ex. 36
DDORS	District Director Oversight Reporting System	442, 443, 444, Ex. 2, 36
eDALR\$	electronic Debt and Loan Restructuring System	Ex. 13.5, 15, 17
DUNS	Data Universal Numbering System	43
ECM	Enterprise Content Management	5, 52
EIN	employer identification number	53
EPM	Enterprise Performance Management	54
ERSR	Electronic Repository of Security Requests	53, Ex. 15
FaSB	Farm Services Branch, NFAOC	5, 41, 52
FAR	Federal Acquisitions Regulation	162, 165, 166
FCSB	Farm and Community Services Branch, NFAOC	5, 50, 52
FCAO	Farm Credit Applications Office	49, Ex. 15
FHP	Farm and Home Plan	Ex. 5, 15
FLOTRACK	Farm Loan Officer Trainee Tracking System	25
FLPRA	Farm Loan Programs Risk Assessment	401-403, 443, Ex. 36
FmHA	Farmers Home Administration	52, Ex. 5
FMMI	Financial Management Modernization Initiative	162-169
ISA	installment set-aside	Ex. 15
ITLAP	Indian Tribal Land Acquisition Program	2, Ex. 16
KZ	cancellation	169
LOA	Loan Analyst	23, 26, Ex. 7
LOC	line of credit	29, Ex. 15, 16
LR	limited resource	223, 261, 263, Ex. 15, 16
LRS	Loan Resolution Specialist	23, 26, Ex. 7
MADS	margin after debt service	Ex. 15
ML	microloan	222, 242, Ex. 15, 16
MRT	Master Reference Table	444
NFAOC	National Financial Accounting and Operations Center	5, Ex. 14
OA	Office of Adjudication	41
OTI	Opportunity to Improve Plan	25
PAC	Program Authority Code	162, 164, 167
PARLC, LAO (FFIS Team)	Policy, Accounting, Reporting, and Loan Center, Loan Accounting Office	169
PCA	Production Credit Association	Ex. 18
PIP	Performance Improvement Plan	25
PLP	Preferred Lender Program	29, 43, 143, Ex. 5, 36

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
PLS	Primary Loan Servicing	23, 25, 27, 29, 42, 144, Ex. 5, 36
PPA	Post payment adjustment	161
PRB	Programs Report Branch, NFAOC	5
PVND	Term in the FMML User Guide representing the creation of a vendor record	165
RCI	recoverable cost items	Ex. 15
SALP	Special Apple Loan Program	2, 29
SAM	System for Award Management	43, 166
SDMS	State Directives Management System	3, 103
SEL	standard eligible lender	25, 43, 143, Ex. 5, 36
SLR	Security Liaison Representative	53, Ex. 14, 15
TC	transaction code	46, 49, 50, 52, 164, 169 Ex. 14
TDCLC	term debt capability lease coverage	252, Ex. 15
TI	treasury in transit	169
TR	treasury reversal	169
TY	payment voucher transaction	161, 165-169
WEM	Web Equity Manager	Ex. 15
WP	Western Pacific	5
YEA	year-end analysis	162, 201, 251, 261-263, Ex. 15, 26, 36
ZMY	Obligating document or purchase order created in FMML.	161, 163, 165-166, 168-169

Delegations of Authority

SED's may redelegate their:

- loan approval authority to FLC, FLS, or DD
- authority to allow the use of a restricted appraisal report to the designated State staff appraiser.