

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

General Program Administration
1-FLP (Revision 1)

Amendment 206

Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 141 J has been amended to:

- provide that all new real estate appraiser vendors must be approved before being added to the vendor list.
- add references to Exhibits 39 and 42 and remove the reference to Exhibit 69.

Subparagraphs 141 J, 142 E, 146 A, and 147 C have been amended to update the POAD SharePoint link.

Subparagraphs 141 K and 143 D have been amended to change references from “appraisal service” to “appraisal product”.

Subparagraph 144 D has been amended to provide that FSA will review the chattel independent appraisal review received from the applicant or borrower.

Subparagraph 147 A has been amended to provide guidance on developing administrative review training.

Subparagraph 161 C has been amended to update the list of FMMI contacts.

Subparagraph 162 C has been amended to make minor editorial changes.

Paragraphs 163, 167, and 168 have been amended to revise references to micropurchase threshold for appraisals relating to farm loan applications from \$2,500.00 to \$10,000.00.

Note: The change of the single purchase limit for appraisals resulted from a decision from Department procurement officials on March 25, 2020.

Subparagraph 164 C has been amended to make minor editorial changes.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 167 B has been amended to make minor editorial changes.

Subparagraph 167 C has been amended to provide guidance on conducting market research for appraisals.

Subparagraph 167 E has been amended to clarify guidance for ARMP roles.

Subparagraph 167 G has been amended to clarify that TPOC/OO signature is required on FSA-2128 only when it is manually completed.

Subparagraph 169 C has been amended to make minor editorial changes.

Subparagraph 169 D has been added to provide guidance for re-activating FMMI user accounts.

Subparagraph 171 F has been amended to clarify guidance for requesting emergency checks relating to PLCE transactions.

Exhibit 16 has been amended to add the type of assistance code for highly fractionated land program.

Exhibit 21 has been amended to clarify roles and responsibilities for FMMI PLCE transactions.

Exhibit 23 has been amended to make editorial changes.

Exhibit 24 has been amended to update the micro-purchase threshold for appraisals.

Exhibit 39 has been added to provide a template for a simplified Statement of Work for ordering farm real estate appraisals.

Exhibits 41 and 44 have been amended to update the POAD SharePoint link.

Exhibit 42 has been amended to provide an example of a simplified Statement of Work for non-farm real estate appraisals.

Exhibit 43 has been withdrawn and will be determined on a case-by-case basis.

Exhibits 45 and 69 have been withdrawn because they are not within the scope of this handbook.

Exhibits 64, 66, 67, and 68 have been amended to update the titles.

Amendment Transmittal (Continued)

Page Control Chart		
TC	Text	Exhibits
5, 6	6-5 through 6-10 6-13, 6-14 6-17, 6-18 6-23, 6-24 6-27, 6-28 6-33, 6-34 7-1, 7-2 7-5, 7-6 7-9 through 7-14 7-21 through 7-24 7-24.5, 7-24.6 (add) 7-25, 7-26 7-27 through 7-30 7-32.5, 7-32.6 (add) 7-33, 7-34 7-39, 7-40	1, pages 5, 6 16, pages 5, 6 21, pages 1, 2 pages 3, 4 (add) page 5 (add) 23, pages 3, 4 24, pages 1-4 39, pages 1-6 page 7 41, page 27 42, pages 1-6 pages 7-24 (remove) page 25 (remove) 43, pages 1-16 (remove) page 17 (remove) 44, page 19 45, pages 1-6 (remove) 64, pages 1, 2 66, page 1 67, page 1 68, page 1 69, pages 1, 2 (remove)

Table of Contents (Continued)

Exhibits

1	Reports, Forms, Abbreviations, and Redelegations of Authority
2	Definitions of Terms Used in This Handbook
3	Menu and Screen Index
4	State Supplements
5	Forms List
6	Regional Appraiser Area of Responsibility Map
7	Delegating FLP Authority
8-11	(Reserved)
12	Discrimination Complaint E-mail Clearance System
13	Instructions for E-Mail to the National Office for Discrimination Complaint Status
13.5	Servicing Settlement Claimants and National Office FLP Programmatic Review
14	(Withdrawn--Amend. 193)
15	(Withdrawn--Amend. 183)
16	Type of Assistance, Fund, and Kind Codes
17	FLP Rates
18	List of Available Reports
19-20	(Reserved)
21	PLCE Roles and Responsibilities
22	Accessing IAS for New users
23	Creating IQ-Program Loan Cost Fund Requisitions
24	Agency Representative for Micropurchase (ARMP) Request for Delegation
25	Program Authority for PLCE Goods and Services and Recoverability of PLCE's After September 30, 2010
26	Program Authority to Request Contract Services and Make Noncontractual Payments - Recoverability of PLCE's - Before October 1, 2010
27	(Withdrawn--Amend. 136)
27.5	(Withdrawn--Amend. 136)
28	Alternative Production and Marketing Price Determination Guide
29-34	(Reserved)
35	(Withdrawn--Amend. 94)
36	DD FLP Oversight Review User Guide
37, 38	(Reserved)
39	Simplified Farm Real Estate SOW
40	Statement of Work Addendum for Potential Liquidation Value Appraisals
41	Farm Real Estate - SOW
42	Simplified Non-Farm Real Estate Appraisal - SOW
43	(Withdrawn--Amend. 206)
44	Chattel Appraisal - SOW
45	(Withdrawn--Amend. 206)
46-49	(Reserved)

Table of Contents (Continued)

Exhibits (Continued)

50	Direct Loan Appraisal Assignment Guidelines
51	Dairy Addendum to FSA Appraisal Guidelines
52	Hog Addendum to FSA Appraisal Guidelines
53	Poultry Addendum to FSA Appraisal Guidelines
54-59	(Reserved)
60-62	(Withdrawn--Amend. 177)
63	(Reserved)
64	Appraisal Engagement Letter
65	(Reserved)
66	Applicant/Borrower Notification of Appraisal
67	Appraisal Award Log
68	Appraisal Rotation List
69	(Withdrawn--Amend. 206)

141 General Appraisal Requirements (Continued)

H Using Third Party Appraisals

FSA may use an appraisal that has been completed by a third party for any direct loan making or servicing action, provided the appraisal meets all of the following:

- appraisal was completed within the previous 12 months
- administrative review is complete and the appraisal is found acceptable.

Notes: If the administrative review concludes the appraisal is not acceptable for FSA use, the reviewer will consult with POAD, Appraisals Branch before rejecting the appraisal. A technical review should not be completed without consultation with the FLC. If the findings are not acceptable, the report will not be used and an FSA appraisal will be completed or ordered.

FSA does not need to be listed as an intended user in a third-party appraisal report for any direct loan making or servicing action; however, FSA must verify that the appraisal was ordered by and prepared for a financial institution or land trust. Borrower-ordered appraisals are not acceptable for loan making or servicing actions except as provided in 5-FLP for special servicing actions.

I Sharing Appraisals with BIA

Upon BIA's written request, FSA may provide a copy of the appraisal report, approved for FSA use after any applicable review, even if FSA is named as the only client, obtained for any direct loan transaction. OGC consent will be obtained for release if the appraisal was obtained as a result of litigation.

*--J Contracts for Appraisal Products

FSA uses micropurchase and contract authority, as described by FAR, to acquire appraisal products. Contracts for appraisal products may be obtained for real estate appraisals,--* technical reviews, or chattel appraisals.

Note: The procurement of a technical appraisal review can only be approved by POAD/Appraisals Branch. SED will consult with POAD, Appraisals Branch for guidance and, if appropriate, will submit the procurement request to POAD, Appraisals Branch.

FSA-2128 will be used for obtaining PLCE funding. See Part 7 for guidance on processing *--PLCE micropurchase at or below the micropurchase threshold, or for guidance on processing contracts products above the micropurchase threshold.--*

141 General Appraisal Requirements (Continued)

***--J Contracts for Appraisal Products (Continued)**

Exhibits 39, 41, 42, and 44 provide guidance for SOW development for appraisal products. SED, after consulting with FLC, shall issue a State supplement establishing the method and standards needed to obtain appraisal products.

- Exhibit 39: Simplified Farm Real Estate - SOW
- Exhibit 41: Farm Real Estate - SOW
- Exhibit 42: Simplified Non-Farm Real Estate Appraisal - SOW
- Exhibit 44: Chattel Appraisal - SOW.

Notes: To allow for consistency of standards and requirements for appraisal products between State boundaries and appraisal regions, States are encouraged to adopt one of the SOW exhibits as provided. The SOW selected must be reviewed and approved by the POAD Appraisals Branch. If an appraisal is needed on properties with unique characteristics such as timber appraisals, mineral appraisals etc., States must contact the POAD Appraisal Branch for assistance in developing a SOW.

States may consult with POAD, Appraisals Branch to develop SOW's to meet their needs.

Additional SOW samples can be found at the appraisal SharePoint site at <https://usdagcc.sharepoint.com/sites/FSA-POAD-AB>.

The State supplement will:

- define SOW for each appraisal product, that is real estate appraisal, and chattel appraisal. SOW should contain at a minimum the subparagraphs in Exhibits 41, 42, and 44.--*

SOW may reference appraisal report guidelines as follows:

- Exhibit 50, Direct Loan Appraisal Assignment Guidelines
- Exhibit 51, Dairy Addendum to FSA Appraisal Guidelines
- Exhibit 52, Hog Addendum to FSA Appraisal Guidelines
- Exhibit 53 Poultry Addendum to FSA Appraisal Guidelines.

Note: Upon SED request, POAD/Appraisals Branch will provide:

- further guidance on work and reporting requirements for specialized properties
- technical assistance
- approval of additional SOW's and exhibits created for specialized properties.

141 General Appraisal Requirements (Continued)

--J Contracts for Appraisal Products (Continued)--

- identify APOC.

SED, in consultation with FLC, will select Service Center and/or State Office employees to be the APOC. SED may contact POAD/Appraisals Branch about any additional APOC training that may be needed.

Note: See Exhibit 24 for required ARMP/APOC training.

APOC is an ARMP/APOC who handles PLCE transactions related to appraisals and
--provides oversight of the micropurchase process for appraisal products. APOC has the authority to commit the Agency for purchasing appraisal products when the cost of products is less than or equal to the micropurchase threshold.--

- establish and maintain vendor information as follows:
 - describe the process to establish a vendor list
 - contact POAD/Appraisals Branch if assistance is needed
 - provide at a minimum business name, personal name, address, telephone number, e-mail address, service area described by county(ies), licenses information, DUNS's number and registration date.

Note: FSA-2155 will be used to obtain vendor information.

141 General Appraisal Requirements (Continued)

--J Contracts for Appraisal Products (Continued)--

A vendor must:

- be registered in SAM and properly maintain information required by SAM
- provide and maintain vendor information as requested by FSA
- sign the SOW
- provide acceptable appraisal product that meets SOW requirements and consistently meet agreed upon timeframes
- attend required meetings with FSA
- *--describe the process for acquiring appraisal products.

Note: SED will refer all new vendors to POAD Appraisals Branch for approval before adding to the approved vendor list.

SED will:

- determine if appraisal product requests will be processed at the Service Center, District, or State Office level
- see Part 7 for guidance on processing contractual acquisition for products when the cost of the product exceeds the micropurchase threshold
- at a minimum, establish work order request form and engagement letter for products

Note: The engagement letter shall be used with a micropurchase and may be used if the Contracting Officer makes the award.

- continue to use the appraisal ordering documents that the State has established for appraisal products for real estate or chattel and adopt the appraisal products engagement letter as provided in Exhibit 64.

Note: Exhibit 64 may be modified to meet State-specific needs with POAD, Appraisals Branch review and approval.

- describe where, when, and the acceptable method of delivery of the appraisal product. This should include notification documents, log to track the appraisal product requests--* and document rotation of vendors.

Note: PDF with a digital signature or e-signature of the appraisal is acceptable for use by the Agency. The security of a PDF appraisal services product is the responsibility of the vendor.

141 General Appraisal Requirements (Continued)

*--J Contracts for Appraisal Products (Continued)

SED is encouraged to adopt the following exhibits.

- Exhibit 64, Appraisal Engagement Letter
- Exhibit 66, Applicant/Borrower Notification of Appraisal
- Exhibit 67, Appraisal Award Log
- Exhibit 68, Appraisal Rotation List.--*

* * *

Contract appraisers must remain independent from other FSA processes that are not appraisal-related.

Note: FSA processes that are not appraisal-related include completion of environmental screening questionnaires or forms.

K APOC Responsibilities

APOC's:

- *--ensure that Part 7 is followed for purchases of appraisal products at or below the--* micropurchase threshold limit
- review FSA-2128, Part B, to ensure that there is adequate documentation and support and provide approval of the selected or recommended vendor
- assist field offices and vendors with basic procurement issues
- coordinate issues that need further clarification by either County Office or POAD, Appraisals Branch
- *--provide oversight for appraisal products requests to ensure that requests for--* procurement are needed and meet the Agency's mission
- ensure that documentation and concerns are clarified to adequately obtain a quote from vendors
- ensure proper rotation of vendors within their service area and that the best value is the basis of vendor selection.

Note: Best value is defined in Exhibit 2.

- issue work order for micropurchases and the engagement letter to the vendor to proceed with assignment as described by the work order.

Note: See Exhibit 21 for PLCE roles and responsibilities.

142 Appraisal Reports

*--A Chattel Appraisals

[7 CFR 761.7(b)(2)] When a chattel appraisal is required it must be completed on an applicable Agency form (available in each Agency State Office) or other format containing the same information.

FSA may use FSA-2160. If FSA-2160 is not used, the chattel appraisal, as a minimum, will identify all chattel items appraised, including the following details:

- documentation of the appraiser's physical on-site inspection of the chattel property

Note: Physical inspection of the chattel property is required unless a written exception is provided.

- the quantity, kind, sex, breed, color, weight or average weight, brands or other identification, and value of livestock

Note: Weight is not required for breeding stock.

- the quantity, kind, manufacturer, size and type, condition, year of manufacture, serial or motor number, and value of machinery and other equipment.

The appraised value of chattel property will be based on public sales or wholesale values of the same or similar property in the market area. In the absence of public sale data, reputable publications may be used to establish market value.--*

142 Appraisal Reports (Continued)

D Approved Appraisal Formats

Any appraisal format that meets USPAP requirements is acceptable. The preferred format for * * * appraisal reports is the UAAR format.

FSA has the following available formats that may be used along with additional documentation to meet USPAP requirements:

- FSA-2161
- FSA-2162
- FSA-2163
- FSA-2164.

142 Appraisal Reports (Continued)

E Real Estate Appraisal Software

FSA has appraisal software available for staff appraisers to provide appraisal reports and sales documentation and management.

Information on the most current version of software, source of software, installation instructions and user guides can be obtained from the appraisal SharePoint web site at ***--<https://usdagcc.sharepoint.com/sites/FSA-POAD-AB>. The “Appraiser Software”--*** section is located at the right side of the home page.

To obtain a copy of the software, or if there are questions about the software, contact Thomas Dobbin, POAD, Appraisals Branch by either of the following:

- e-mail at **thomas.dobbin@usda.gov**
- telephone at 208-378-5671.

F Potential Liquidation Value

[7 CFR 761.2] Potential liquidation value (PLV) is the amount of a lender’s protective bid at a foreclosure sale. Potential liquidation value is determined by an independent appraiser using comparables from other forced liquidation sales.

For loan servicing cases when 5-FLP, Exhibit 60 is required, appraisal reports will be developed and reported using Exhibit 40.

When ordering such an appraisal, APOC will order a market value appraisal using the State’s approved SOW for the property type being appraised and a PLV appraisal using Exhibit 40. The appraisal report being completed will have both market value and PLV developed in the same report.

Note: The primary difference between the definition of market value and PLV is linked to property exposure time in the open market, if sold. The market value definition is based on a reasonable time allowance for exposure in the open market, while PLV’s are made under the assumption that the seller is under extreme compulsion to sell and a normal marketing effort is not possible because of brief exposure time to the market.

SED’s shall establish exposure times to be used in Exhibit 40 by contacting their Regional OGC to determine specific public notice of sale statutes for the State that the property foreclosure is to take place. The State legal statute citation number will be needed along with the number of days. The exposure time will be estimated and provided to the appraiser on Exhibit 40 when the appraisal is ordered.

143 FSA Review of Appraisal Reports (Continued)**D Technical Appraisal Reviews Overview**

A technical appraisal review will be in writing to address all requirements of USPAP, Standard Rules 3 and 4. Under the scope of the technical appraisal review, the appraiser forms an opinion as to:

- the adequacy and relevance of the data used
- the propriety of any adjustments to the data
- the appropriateness of the appraisal methods and techniques used
- whether the analysis and conclusion of the appraisal under review is credible, and if not, the reason for expressing different opinion of value.

Unless written authority is granted by DAFLP, a technical appraisal review must be completed by a State-certified general appraiser or State-certified residential appraiser if ~~POAD, Appraisals Branch, who will determine whether the appraisal is in compliance with USPAP standards. The appraiser must certify as to the type and extent of the review process.~~ A technical appraisal review may include a desk review and/or a field review. The appraiser may express a different opinion of value from the appraiser, only after complying with USPAP Standards 1 and 2.

The technical appraisal review is completed for agriculture properties on FSA-2166, or any other format containing, at minimum, the same information and complies with USPAP standards.

A technical desk review:

- is an analysis of the material presented in the appraisal report as to the adequacy of the documentation of the final value estimate
- may reveal concerns, such as math errors, discrepancies of legal descriptions, comparable sales used that are not recent or similar to the subject property, failure to give value consideration to all items located on the subject property, and failure to address the condition of the subject and comparable sales.

143 FSA Review of Appraisal Reports (Continued)

D Technical Appraisal Reviews Overview (Continued)

A technical field review involves an examination of all aspects of developing and reporting *--the appraisal. Most information contained in the appraisal report is verified, inspected,--* and researched. Other information, such as other comparable sales, not included in the report may be addressed.

Problems or areas of concern detected during the technical appraisal review will be referred to the appraiser who conducted the appraisal.

* * *

The appraiser completing the technical review will provide the SED a memorandum summarizing the findings.

IF technical review...	AND...	THEN...
finds appraisal acceptable		the memorandum will: <ul style="list-style-type: none"> • state that the appraisal is acceptable • describe major and minimum areas of concern, if clarification is needed, and provide recommended corrective actions, if applicable or any modifications needed.
Finds appraisal unacceptable		the memorandum will: <ul style="list-style-type: none"> • itemize USPAP discrepancies • provide the USPAP standard rule, as well as state the standard • include explanation of the concern.

144 Appeals of Decisions Based on Appraisals***--A Scope**

This paragraph provides general information on appealing a direct loan making or loan servicing decision based on an appraisal. See 1-APP and paragraph 42 for additional information on appeals.

B When a Decision Based on an Appraisal May Be Challenged

An applicant or borrower may request reconsideration or appeal of any adverse decision based on an FSA appraisal. However, when the appraisal was obtained in connection with a request for PLS and negotiation of the appraisal has been completed according to 5-FLP, paragraph 230, the negotiated value is not appealable.

C Reconsideration of Real Estate Appraisals

An applicant or borrower may request reconsideration of an adverse decision based on a real estate appraisal and provide an independent technical appraisal review, completed by a State-certified general appraiser.

The independent technical appraisal review:

- is performed to determine whether the analysis, opinions, and conclusions in the appraisal report obtained by FSA are appropriate and reasonable
- may include either a desk review and/or a field review.

Note: The appraiser conducting the technical appraisal review must certify as to the type and extent of the review process.

At the applicant's or borrower's request, the agency official shall provide a list of State-certified general appraisers. The applicant or borrower may select an appraiser from the list or retain any other State-certified general appraiser to conduct the independent technical appraisal review according to USPAP Standard 3. The applicant or borrower must pay the cost of the independent technical appraisal review.

FSA will review the independent technical appraisal review, as well as the appraisal used to make the decision, and determine if corrections are needed to the original appraisal report. If corrections are necessary, FSA will request the original appraisal be corrected. The authorized agency official will notify the applicant or borrower of the outcome of reconsideration according to 1-APP and provide a copy of the corrected appraisal report.--*

144 Appeals of Decisions Based on Appraisals (Continued)

D Reconsideration of Chattel Appraisals

An independent appraisal review is performed to determine whether the analysis, opinions, and conclusions in the appraisal report obtained by FSA are appropriate and reasonable.

--FSA will review the independent appraisal review received from the applicant or-- borrower, along with a copy of the appraisal, and decide the chattel's final appraised value. The authorized agency official will notify the applicant or borrower of the outcome of reconsideration according to 1-APP.

E Real Estate and Chattel Appraisal Appeals

[7 CFR 761.7(e)] Challenges to an appraisal used by the Agency are limited as follows:

(1) When an applicant or borrower challenges a real estate appraisal used by the Agency for any loan making or loan servicing decision, except primary loan servicing decisions as specified in § 766.115 of this chapter (5-FLP, paragraph 230), the issue for review is limited to whether the appraisal used by the Agency complies with USPAP. The applicant or borrower must submit a technical appraisal review prepared by a State Certified General Appraiser that will be used to determine whether the Agency's appraisal complies with USPAP. The applicant or borrower is responsible for obtaining and paying for the technical appraisal review.

Notes: The applicant or borrower does **not** have the right to provide a second independent appraisal for consideration.

The issue for review is the appraisal of the subject property's current market value based on the development of an opinion of the highest and best use of the real estate as required by USPAP.

(2) When an applicant or borrower challenges a chattel appraisal used by the Agency for any loan making or loan servicing decision, except for primary loan servicing decisions as specified in § 766.115 of this chapter (5-FLP, paragraph 230), the issue for review is limited to whether the appraisal used by the Agency is consistent with present market values of similar items in the area. The applicant or borrower must submit an independent appraisal review that will be used to determine whether the appraisal is consistent with present market values of similar items in the area. The applicant or borrower is responsible for obtaining and paying for the independent appraisal review.

Note: FSA will review the qualifications of the appraiser selected by the applicant or borrower.

145 Appraiser Qualifications**A Chattel Appraisals**

An FSA employee delegated chattel appraisal authority from SED, or a contractor hired to complete chattel appraisals, must:

- possess sufficient experience or training to establish market value of chattel property based on public sales of the same or similar property in the market area
- demonstrate, to SED's or designee's satisfaction, sufficient experience and training to establish market values of chattel property.

Notes: A contract appraiser's qualifications shall be documented and maintained in the contract file.

Contract appraisers must meet any State licensing requirements if required by state law.

B Real Estate Contract Appraisers

Contract appraisers:

- must meet license requirements according to subparagraph 141 F
- must be licensed in the State in which the property to be appraised is located.

***--C POAD, Appraisals Branch Appraisers**

POAD, Appraisals Branch appraisers are FSA employees who are responsible only for real estate appraisals and technical real estate appraisal reviews, and who have or are fulfilling--* the training requirements in paragraph 146.

* * *

--Appraisers must be a State-certified general appraiser or obtain State-certified general appraiser status within 5 years of being designated as an appraiser.--

146 Appraiser Training Requirements**A Obtaining Chattel Appraisal and Chattel Administrative Review Authority**

An FSA employee delegated chattel appraisal and chattel administrative review authority from SED, or a contractor hired to complete chattel appraisals, must:

- possess sufficient experience or training to establish market value of chattel property based on public sales of the same or similar property in the market area
- demonstrate, to SED's or designee's satisfaction, sufficient experience and training to establish market values of chattel property.

In addition, employees are required to:

- take the appropriate training to obtain initial chattel appraisal and administrative review authority
- have training every three years to maintain their authority to complete chattel appraisal and chattel administrative reviews.

Note: Training modules that can be used to conduct training for chattel appraisal and chattel administrative reviews are available at the Appraisal SharePoint website at
--<https://usdagcc.sharepoint.com/sites/FSA-POAD-AB>--

SED may contact POAD, Appraisals Branch to help develop a customized training plan for their State.

Notes: A contract appraiser's qualifications shall be documented and maintained in the contract file.

Contract appraisers must meet any State licensing requirements if required by State law.

147 Training Requirements for Performing Real Estate Administrative Appraisal Reviews

A State Responsibility

State Offices are responsible for developing and delivering a training program to an adequate
*--number of employees to perform administrative appraisal reviews. The training must be
developed in consultation with, and approval of, POAD, Appraisals Branch.--*

B Available National Training

An online course has been developed to supplement State-developed training. The AgLearn
course titled “**Administrative Appraisal Review**” is required training for all employees
receiving administrative appraisal review authority.

Note: The “Administrative Appraisal Review” course can be located in the “Find Learning”
section in AgLearn.

147 **Training Requirements for Performing Real Estate Administrative Appraisal Reviews (Continued)**

C Other Available Training

Training modules that trainers can use for real estate administrative reviews are available at the Appraisal SharePoint.

Note: The trainer must be a POAD, Appraisals Branch appraiser.

SED may contact POAD, Appraisals Branch to help develop a customized training plan for their State using these modules.

Other modules available for consideration include chattel appraisal training materials and can *--be found at <https://usdagcc.sharepoint.com/sites/FSA-POAD-AB>.--*

Part 7 PLCE's**161 Overview****A Purpose**

This part describes procedures for:

- the PLCE budget process and proper use of PLCE funds
- establishing required primary roles, responsibilities, eligible employees, training requirements and delegations of authority for processing PLCE transactions
- processing PLCE requests at the County and State Office levels
- what to do when there is a concern about vendor payments; and
- handling return checks and cancelling a PLCE transaction.

B Program Authority

Exhibit 21 provides information on transactional roles, responsibilities, required training, eligible employees for each primary role, and required delegations of authority separate from Exhibit 7 of this handbook.

Exhibit 22 provides information for accessing IAS for new users.

Exhibit 23 provides information on creating IQ-Program Loan Cost Fund Requisitions in IAS.

Exhibit 24 is used to request ARMP delegation from Farm Production and Conservation
--Business Center, Acquisitions Division, Policy, Oversight and Accountability Branch (FBC, AD, POA) and includes ARMP guidance for making micropurchases.--

Exhibit 25 provides program authorities to request PLCE services or pay bills related to a borrower or inventory property account. If a State needs program authority for a cost item not listed in Exhibit 25, SED must send an e-mail to the appropriate point of contact according to subparagraph C.

Part 6 provides guidance for real estate and chattel appraisals.

161 Overview (Continued)

B Program Authority (Continued)

*--The FMMI User Guide:

- shall be used in conjunction with this Part
- is located on the DAFLP Intranet website for software guides at <https://inside.fsa.usda.gov/program-areas/daflp/software-manuals/index>.

For IAS and general contractual acquisition guidance, see FPAC Procurement Operating Procedures (POP), online IAS User Guides, and FAR, which is accessible online at <https://www.acquisition.gov/?q=browsefar>.

Other source material relating to IAS transactions is found at <https://ias.usda.gov/guidance.html>.

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		
DATA Act Assistance	Ann Smith Lora Morris	<ul style="list-style-type: none"> • ann.smith2@usda.gov. • lora.b.morris@usda.gov.
FMMI Document Approvals	Ann Smith Lora Morris	
FMMI User Access	Ann Smith	
General FMMI or PLCE Inquiries	Ann Smith Lora Morris	
Lost Vendor Payments	Ann Smith Lora Morris	
PLCE Funding	Md Mutaleb Lora Morris Ann Smith	md.mutaleb@usda.gov
Vendor Record Inquiries (FMMI or SAM)	Ann Smith Lora Morris	

Matters unable to be resolved at the primary contact level will be expedited to the appropriate FMMI Help Desk Team.--*

Questions related to technical aspects of farm real estate appraisals and chattel appraisals will be directed to the State APOC as provided in Part 6. The commitment and payment of PLCE funds related to appraisal requests are handled according to this subparagraph.

162 Primary Roles and Responsibilities Needed for PLCE (Continued)

B State PLCE Monitor (Continued)

- ensuring that State and County Office staff correctly follow all PLCE procedures and provide guidance or training as needed; and
- working as liaison between Contracting Officer, ARMP, APOC, and TPOC.

C ARMP

The ARMP's primary function is to make PLCE micropurchases. ARMP authority is *--delegated by FBC AD POA. Other than a Warranted Contracting Officer, **only** the ARMP--* may make micropurchases. States may delegate more than 1 employee in the ARMP role.

Note: Every APOC is an ARMP; however, not every ARMP is an APOC. Therefore, States will defer to State instructions as to the specific role applicable for the needed micropurchase.

The responsibilities of the ARMP include the following:

- conducting market research by contacting vendors and obtaining feedback
- notifying vendor of award and issuing task order, letter of engagement or similar
- notifying County Office of vendor award
- coordinating modifications of initial award with PLCE monitor and/or contracting official
- *--accepting and receiving copy of completed work--*
- submitting invoice to FMMI TY Processor for payment
- maintaining a log of transactions and rotations of awards among vendors.

See Exhibit:

- 21 for eligible positions, training requirements, and authorities for the ARMP role
- 24 to request an ARMP delegation and guidance on how micropurchases are obtained.

Note: The ARMP role may **not** be re-delegated. **All** duties identified in Exhibit 24 must be *--handled by the FBC AD POA-delegated ARMP **only**. TPOC, ARMP or authorized agency representatives are authorized to accept the completed work from a vendor.--*

162 Primary Roles and Responsibilities Needed for PLCE (Continued)**C ARMP (Continued)**

To obtain an ARMP designation, States will submit requests for information, or delegation of authority requests, with required proofs of training, through the FBC AD POA ServiceNow intake portal at <https://usdafpacbc.service-now.com/fpac>.

D TPOC

The Technical Point of Contact is otherwise known as an Authorized Agency Official, and for PLCE procurement purposes, the TPOC is the person who identifies PLCE needs.

Responsibilities include:

- completing required documents and forwarding those documents to ARMP, APOC, or State Office according to this Part and applicable State instructions;
- receiving completed work
- recommending payment for completed work.

See Exhibit 21 for eligible positions, training requirements, and authorities for the TPOC role. TPOC, ARMP or authorized agency representatives are authorized to accept the completed work from a vendor.

163 Understanding PLCE (Continued)

B PLCE “Non-Contractuals”

PLCE cost items that consist of paying a bill, statement, or similar demand for payment generated by a third-party against a borrower or inventory property are referred to as Routine Loan Account Maintenance, otherwise called “non-contractuals”. These cost items are **exempt** from FAR and Agriculture Acquisition Regulation (AGAR) provisions and are not subject to total cost thresholds. All non-contractual PLCE’s have fixed costs and pre-determined, specific vendors. The cost and vendor for non-contractual items are all outside FSA’s control and, if the cost item is not paid, the Government’s security interests are threatened.

Each expense in Exhibit 25 under the contract purpose labeled “Loan Account Maintenance” for loan making, loan servicing, and inventory property are “non-contractual” items. There are no other PLCE cost items that fall under this category. If an expense item is not listed under Loan Account Maintenance and does not contain an “N” in the PAC, it is **not** a “non-contractual” cost item and **cannot** be treated as such.

See paragraph 166 for guidance on processing PLCE ‘non-contractual’ items.

C PLCE Micropurchases

What constitutes a PLCE micropurchase is how the item is obtained and the cost of the item. When the Agency initiates the purchase, and the cost of the item is less than or equal to ***--\$2,500.00 for non-appraisals or \$10,000.00 for appraisals, that PLCE is identified as a--*** PLCE micropurchase.

Micropurchase requests are fully handled by the ARMP, APOC, or a Contracting Officer or Contract Specialist, and are routed through the State PLCE Monitor. County Offices may **not** take any action on a micropurchase PLCE request unless instructed to do so by the ARMP, APOC, or contracting official as described in State procedure.

See subparagraph 162 C for information on the ARMP role and see paragraph 167 and Exhibit 24 for guidance on processing PLCE micropurchase items.

D PLCE Contractual Requests

--PLCE contractual cost items are all expenses initiated by the Agency with a total cost equal to or more than \$2,500.01 for non-appraisals or \$10,000.01 for appraisals products.--

If a State does not have a warranted Contracting Officer on staff, the State Office should contact other FPAC agencies or a neighboring State for assistance, if that State is known to have a Contracting Officer on staff. Otherwise, State Offices will submit requests through ***--the FBC AD POA ServiceNow intake portal according to subparagraph 162 C.--***

--163 Understanding PLCE (Continued)*D PLCE Contractual Requests (Continued)**

County Offices may **not** take any action on a contractual PLCE request unless instructed to do so by the Contracting Officer or Contract Specialist.

See paragraph 168 for specific guidance on processing contractual PLCE's.

E PAC

Exhibit 25 provides a list of each authorized PLCE expense. Each expense item has an assigned unique 3-digit alphanumeric character that is required for obligating and controlling funds and tracking expenses. If there is a "Comment" annotated for the selected PAC, the TPOC and State PLCE Monitors should review the Exhibit 25 "Note" section for usage clarification or application.

All transactions fall under 1 of these 3 categories as follows.

- 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. This includes corrections to documents filed at loan closing.
- Inventory Property PAC's are applicable only after FSA has received the deed and 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 liquidation of security prior to the date taken into Government inventory.

F Historical PAC Reference

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

163 Understanding PLCE (Continued)**G DATA of 2014**

PLCE activity is reportable under DATA, which makes information on federal spending accessible and transparent to the general public. Recoverable cost items are considered financial assistance since they benefit Agency customers. Non-recoverable cost items and *--micropurchases currently are not reportable. Contractual PLCE's exceeding the \$2,500.00 (non-appraisals) or \$10,000.00 (appraisals products) micropurchase threshold must be--* entered into the Integrated Acquisition System (IAS) and the Federal Procurement Data System-Next Generation (FPDS-NG).

To comply with DATA the Agency developed specialized coding for use in the contract number field of the ZMY transaction. Additional guidance on this coding is found in the FMMI User Guide.

***--164 Allocating PLCE Funds**

A PLCE Spending Chain

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

Component	Action
1	Allocation 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.
2	Budget pre-approval 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. 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.
3	Obligation 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.
4	Invoice 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.
5	Disbursement is handled by the National Finance Center. This step is driven by the vendor record and invoice document.

B National Office Allocation of PLCE Funds to States

The National Office allocates PLCE funds to each State, Puerto Rico, and designated United States territories that has a FLC. PLCE funds are not sub-allocated to the County Office level.

State PLCE Monitors will use the Availability of Funds Control Report located in FMMI in monitoring and certifying the availability of PLCE funds. Additional information and step-by-step instructions are located in Section 7, PLCE Funds Management, of the FMMI User Guide.

The National Office divides each State allocation into 4 accounts that correspond to their respective Treasury symbols.--*

164 Allocating PLCE Funds (Continued)

B National Office Allocation of PLCE Funds to States (Continued)

Each account has its own purpose and designated loan cohort.

- ACIF Program Account (non-recoverable), otherwise known as the “A” account, is used to pay PLCE’s that are not chargeable to a borrower or inventory property account.
 - The “A” account fund code is identified as “FA00B1140D” in the FMMI environment.
 - IAS accounting string for “A” funds is FA00.ZZ.ZZZZZZZZZZ.2570.
- ACIF Direct Loan Financing Account (recoverable) is referred to as the “R” account. “R” funds are used to pay PLCE’s that are chargeable to a borrower or inventory property account in which the **original loan** was obligated in FY 1992 or subsequent years.
 - The “R” account fund code is identified as “FA00B4212D” in the FMMI environment.
 - *--IAS accounting string for “R” funds is FA00.ZZ.ZZZZZZZZZZ.3360--*
- ACIF Liquidating Account (recoverable). This “L” account is used to pay PLCE’s that are chargeable to a borrower or inventory property account in which the **original loan** was obligated before FY 1992.
 - The primary “L” account fund code is identified as “FA00B4140D” in the FMMI environment.
 - *--IAS accounting string for “L” funds is FA00.ZZ.ZZZZZZZZZZ.3360.--*

There are 2 different appropriated line items for “L” funds, each with its own functional area:

- FA02FL2040000000: Loan Servicing “L” account
- FA02FL2140000000: Inventory Property “L” account.

Both line items use the same fund identifier of FA00B4140D. Only the loan servicing “L” funds are allocated to the State level. The inventory property “L” funds are maintained at the National Office level. The PLCE Monitor will contact LMD when “L” funds are needed for servicing inventory property.

- Recovery Act - Direct Financing Account - Capital Investment (recoverable). This “S” account is used to pay PLCE’s that are chargeable to a borrower or inventory property account in which the loan was obligated using ARRA (“Stimulus”) identified loan funds. “S” loans are identified with Type of Assistance codes 564 through 583. The “S” account fund code is identified as “FA00B4284D” in the FMMI environment.

See Exhibit 23 for guidance on creating IAS requisitions for PLCE.

164 Allocating PLCE Funds (Continued)

C State Office Allocation of PLCE's

All PLCE commitments and disbursements must occur on a “requirement and consideration” basis, meaning there must be a specific need for a specific loan applicant, borrower, or inventory property. Obligating lump sum amounts or “banking” PLCE funds for a specific vendor is prohibited. The commitment of PLCE funds in one FY for use in another FY without a specific requirement violates the Anti-Deficiency Act and is not permitted.

Examples of permissible and not permissible are as follows:

- *--**Permissible:** On September 25, 2019, the County Office requests a title opinion in preparation for an upcoming foreclosure sale for a particular borrower. The PLCE commitment is created the same day **and work begins**; however, it is not until November 1, 2019, that the vendor delivers the title opinion and requests payment.
- **Not Permissible:** On September 25, 2020, the State Office decides to set aside \$xxx for real estate appraisals needed in the next FY. There is no immediate need for the ZMY; however, the State wants to “use up” the remaining FY 2020 “A” allocation and draw-down funds from the one ZMY on an as-needed basis in FY 2021.--*

Note: For electronic UCC filings with the Secretary of State Office, see subparagraph 165 D.

D Using PLCE Allocations

Before any PLCE item can be obtained or an expense incurred on behalf of the Government, the State PLCE Monitor must certify fund availability and ensure the State budget reflects that commitment.

All ZMY's must be entered into FMMI before goods or services are ordered. Reimbursement for an unapproved cost item is considered an unauthorized purchase and payment is not guaranteed.

Note: Notices about delinquent real estate taxes and property taxes are exempt from funds certification. It is not possible to know when a borrower will not pay their taxes in a timely manner; therefore, the cost is “incurred” before the Agency can take action.

As a reminder, the Government purchase card is not an option for PLCE procurement of any kind. See subparagraph 161 D.

*--166 Processing Routine Loan Account Maintenance “Non-contractual” PLCE’s (Continued)

G Workflow Process for Routine Loan Account Maintenance (“Non-Contractual”) Expenses (Continued)

Step	With Invoice	Invoice Pending
5	PLCE request is parked and posted in FMMI creating a ZMY transaction, using the FMMI User Guide as reference.	PLCE request is parked and posted in FMMI creating a ZMY transaction, using the FMMI User Guide as reference.
6	After ZMY is posted, invoice is parked 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).	Once the County Office receives invoice, using the original FSA-2126, forwards invoice to the State PLCE Monitor with a digitally signed request for payment.
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

--*

167 Processing Micropurchase PLCE's

A Forms

The forms associated with PLCE micropurchases include.

- **FSA-2126** is required to initiate and pay **non-appraisal** micropurchase PLCE requests with a total cost at or below the micropurchase threshold limit of \$2,500.00 as described in subparagraph 163 C. Additional documents may be required depending upon what is needed and State procedure. TPOC's should contact their ARMP or Contracting Officer when guidance is needed.
- **FSA-2128** is required to initiate and pay real estate and chattel appraisals products at or below the micropurchase threshold of \$10,000.00. Additional documentation may be required depending upon State procedure. TPOC's should contact their APOC, ARMP, or Contracting Officer when guidance is needed.

Note: Once a PLCE item exceeds the \$2,500.00 (non-appraisals) or \$10,000.00 (appraisal products) threshold, it must be handled according to paragraph 168,--* including after-award modifications requested by the vendor that raises the initial total of funds committed.

- **FSA-2172** is used for requesting Emergency PLCE vendor checks for non-appraisal micropurchases as described in subparagraph 170 G. Emergency checks for micropurchases are very rare and usually involves an emergency custodial livestock situation. Real estate and chattel appraisers are **never** paid using the Emergency PLCE payment process.

Micropurchase vendors are required to submit an invoice that contains the vendor's name, address, telephone number, DUNS number, a brief description of services rendered and total cost. FSA-2171 is **not** used for micropurchases.

All vendors operating under this subpart must register in SAM. FSA-2173 is **not** used for or by micropurchase vendors. ARMP should contact the National Office in instances of one-time only vendors needed in emergency custodial situations.

Additional information about real estate and chattel appraisals is provided in Part 6.

167 Processing Micropurchase PLCE's (Continued)

B Filing Requirements

The FSA-2126, FSA-2128, and other documents related to recoverable cost items are treated as a debt instrument and filed in the borrower's case file.

It is recommended that PLCE documents involving "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 non-recoverable cost items are not debt instruments.

ARMP's are required to maintain a log of transactions and rotation of awards among vendors and maintain secured transaction files containing all relevant transaction information. The transaction files will contain, at a minimum, the following.

Item	Description
Requisition	Request for service with documentation that identifies the Government need, Government cost estimate, proof of funding availability, and authorized signatures. FSA-2126 and/or FSA-2128 is considered a "requisition".
Required Requisition Documents	Program documents used in addition to FSA-2126 and/or FSA-2128 that support the requisition, including and not limited to, copies of e-mailed requests for quotes, engagement letter or task order, etc.
FMMI Funds Commitment Document	A copy of the posted FMMI ZMY Adobe form that contains the FMMI user identifiers, date, and time stamps.
Invoice	Invoice submitted to Agency by the vendor when services rendered. Invoice must match posted FMMI TY document.
FMMI Payment Document	A copy of the posted FMMI TY Adobe form that contains the FMMI user identifiers, date, and time stamps.
Acceptance of Service Document	E-mail or other documentation of program acceptance of service provided.
Correspondence	All related e-mails, letters, documented telephone calls, and other documents.

All transaction files will be retained for a period of seven years from the date of the final payment. Use file codes:

- CONT-2(a) for transactions over \$2,000.00
- CONT-2(b) for transactions less than \$2,000.00.

--The transaction files will be subject to random audits by the FBC AD POA compliance-- designee. Contracting Officers also may conduct routine file reviews without permission from the FBC staff.

167 Processing Micropurchase PLCE's (Continued)

C Vendor Selection

In addition to requesting PLCE funds commitment and disbursements, FSA-2126 and FSA-2128 is used to record associated market research information. The ARMP will contact appropriate vendors to conduct market research for the required service and make the appropriate entries in FSA-2126. Purchases should be consistent with established guidelines for required sources of services and applicable acquisition procedures for making micropurchases.

How much market research a PLCE requires is dependent upon the dollar amount provided to the ARMP. ARMP's will conduct enough market research to ensure that the Government gets a good value for its money in terms of reasonable price and timely, reliable and quality service.

When making micropurchases, ARMP's will identify the service that best satisfies the PLCE requirement, weighing both price factors and non-price factors like time of delivery. Higher priced contractors may be used if it represents a better value; however, it is the ARMP's responsibility to perform basic comparison-shopping and briefly document the basis for vendor decisions.

All micropurchase vendors must register in SAM; see subparagraph 165 A.

Vendor selection for real estate and chattel appraisals will be handled according to Part 6 and State instructions.

*--All appraisal product purchases that are above \$2,500.00 require that 3 quotes be obtained or documentation as to why they were not obtained must be included on FSA-2128, Part B and in the ARMP work file.

Note: The following are market research comments which may be included on FSA-2128:

- "Market research was completed by using a rolling vendor log of approved vendors. The price was determined to be fair and reasonable for the government."
- "The vendor appraiser was selected since they had completed an appraisal on the subject property on (effective date of prior appraisal). The price was determined to be fair and reasonable for the government and to be in the government's best interest for consistency in the valuation process."--*

167 Processing Micropurchase PLCE's (Continued)**D FMMI and DATA Act Requirements**

PLCE Monitors will ensure micropurchase PLCE's are annotated as "NONDATAACT" in the contract number field of the FMMI Adobe form. The State PLCE Monitor and State FMMI PO Processor should see the FMMI User Guide for additional guidance and DATA Act-specific instructions.

E Processing Payments for Micropurchase PLCE's

The Debt Collection Improvement Act of 1996 mandates using EFT as the payment method for Government disbursements. There are no exemptions for micropurchase PLCE's for the EFT process. If a micropurchase vendor is unable to accept the EFT payment method, the PLCE Monitor or ARMP will contact the National Office for guidance in hardship situations.

Standard payment terms are net 30 days. Whether a vendor is paid net 30 days or payment is accelerated to ACCP completely depends upon the FMMI vendor record and how the vendor is categorized in SAM. FMMI-generated payment terms should not be changed.

F Required Roles for Processing PLCE Micropurchase Requests

To fully process a PLCE micropurchase request, the following roles are required:

- TPOC
- State PLCE Monitor
- APOC, ARMP or Contracting Officer, as determined by State procedure
- FMMI PLCE PO Processor
- FMMI PLCE PO Approver
- FMMI PLCE TY Processor
- FMMI PLCE TY Approver.

See Exhibit 21 for guidance on roles.

167 Processing Micropurchase PLCE's (Continued)

G Workflow for PLCE Micropurchases

For ease of understanding the following workflow, the term ARMP is used exclusively. It is understood some States may use:

- an ARMP for all non-appraisal micropurchases;
- an APOC for all real estate and chattel appraisals;
- an ARMP for both appraisals and micropurchases; or
- a Contracting Officer exclusively, or
- a combination of ARMP, APOC, and Contracting Officer.

Insert the applicable position for your State wherever "ARMP" is used.

--For those States having all FLO, FLM, and FLPS/FLPC designated as an ARMP, dual roles as TPOC and ARMP exist. If there is no separate TPOC in the office initiating the PLCE request, then FLO, FLM, or FLPS/FLPC will perform all TPOC duties in addition to all-- ARMP duties listed in the workflow.

Note: Exhibit 21 permits the PT to be designated as TPOC. ARMP responsibilities must be performed by ARMP and may not be re-delegated.

References to the completion of certain sections of FSA-2126 within the workflow are included to assist with understanding the micropurchase process. These references do not replace the form's posted instructions for completion.

ARMP's should see Exhibit 24 for additional guidance on making micropurchases.--*

167 Processing Micropurchase PLCE's (Continued)

G Workflow for PLCE Micropurchases (Continued)

The following table contains workflow steps for Non-Appraisal PLCE Micropurchases.

Step	Action
1	<p>Non-Appraisal: TPOC determines PLCE need and refers to Exhibit 25 for authorization and terms. TPOC completes FSA-2126, Part A, in its entirety. TPOC sends to ARMP, FSA-2126 and all other applicable documentation required by State instructions.</p> <p>Note: It is recommended that the TPOC include the PLCE Monitor in the electronic transmission of the FSA-2126 to the ARMP if TPOC and ARMP are not the same person.</p> <hr/> <p>Appraisal: TPOC completes FSA-2128, Part A and sends to APOC/ARMP, *--along with and all other applicable documentation required by Part 6.</p> <p>Note: TPOC signature is required if FSA-2128 is completed manually. NATS does not require TPOC signature.--*</p>
2	<p>ARMP/APOC conducts market research by telephone or e-mail using the information provided by TPOC. Results of market research are recorded on FSA-2126 or FSA-2128.</p> <p>If market research establishes the PLCE as a micropurchase, ARMP/APOC will complete the assessment, confirm vendor eligibility in SAM, record the DUNS, and complete acknowledgements. ARMP/APOC digitally signs the authorization for the ZMY entry in FMMI and forwards FSA-2126 or FSA-2128 to the State PLCE Monitor and the process continues in Step 3.</p> <p>If the feedback from vendors indicates PLCE is a contractual purchase, ARMP will make a vendor recommendation or annotate on FSA-2126 or FSA-2128 that PLCE exceeds the ARMP's authority. ARMP/APOC will proceed using guidance in subparagraph 168 G; use of this flowchart is concluded.</p> <p>Note: ARMP/APOC does not make micropurchase or notify vendor of award at this step.</p>
3	<p>Non-Appraisal: State PLCE Monitor receives and reviews FSA-2126 and complete Part C. If inconsistencies or incorrect information are found, State PLCE Monitor will work with TPOC and ARMP to resolve the matter.</p> <hr/> <p>Appraisal: State PLCE Monitor receives and reviews FSA-2128 and complete Parts C and D of the FSA-2128. If inconsistencies or incorrect information are found, State PLCE Monitor will work with TPOC and APOC/ARMP to resolve the matter</p> <p>Note: In States wanting to internally sub-allocate funding for appraisals to APOC, budget approval occurs with the PLCE Monitor only. There is no FMMI mechanism for sub-allocating beyond the PLCE Monitor level.</p>

167 Processing Micropurchase PLCE's (Continued)

H Modifying Initial Micropurchase Commitment

Invoices received for an amount greater than the agreed-upon purchase price are **not** acceptable. All vendors are required to contact the Agency about any necessary change to previously agreed-upon terms **before** completing the work or submitting an altered invoice.

If a pricing modification will put the total amount to be invoiced above the \$2,500.00 *(non-appraisals) or \$10,000.00 (appraisal products) threshold, the PLCE is no longer a--* micropurchase and **cannot** be processed as such. When a situation like this occurs, the State PLCE Monitor and ARMP will discuss the matter with a Contracting Officer or FBC Operations Branch, whichever is applicable, to handle the situation according to FAR and Departmental regulations.

--168 Processing PLCE Contractual Items*A Forms**

Forms used for PLCE contractual transactions may vary depending upon the State Contracting Officer or AMD preferences, whichever is applicable, and State procedure. FSA-2126 or FSA-2128 may be used for PLCE funds commitment, DATA Act and ZMY/TY annotations.

B Filing Requirements

All documents related to recoverable cost items are treated as a debt instrument and filed in the borrower's case file.

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 loan applicant. Documents related to non-recoverable cost items are not debt instruments.

County and State Offices should establish and maintain operational files for contractual PLCE activity according to 32-AS and Contracting Officer guidance.

C Vendor Selection

Vendor selection is handled by the Contracting Officer or Contracting Specialist. The ARMP may make recommendations only. The Contracting Officer does not have to accept the recommendation and has total authority under FAR to handle the contractual request as they deem appropriate.

D FMMI, the DATA Act and Other Requirements

FMMI, DATA Act requirements, use of IAS and entry of PLCE items in FPDS-NG are applicable to all contractual expense items.

IAS and FPDS-NG entries are not Farm Loan Program-related topics and are addressed in FPAC Procurement Operational Plan and FAR. Contracting Officers and Contracting Specialists are responsible for ensuring IAS and FPDS-NG are populated according to established procedures.

When the ZMY is posted in FMMI, the State PLCE Monitor will ensure that the PIID number is entered on FSA-2126 and/or FSA-2128. The contract number generated in IAS must be provided to the State PLCE Monitor by the contracting staff upon completion of IAS entries. The State PLCE Monitor forwards that information to the National Office contacts listed in subparagraph 161 C to ensure DATA Act compliance. See subparagraph 168 G.

The State PLCE Monitor and FMMI users should see Section 4.3 of the FMMI User Guide for additional guidance.--*

--168 Processing PLCE Contractual Items (Continued)*E Processing Payments for Contractual PLCE's**

Using EFT is required. Only if an individual does not have an account at a financial institution, or if there is an operational hardship whereby the vendor's regular business process is severely hindered by receiving payment through EFT, payment by US Treasury check is permissible under 31 CFR Part 208.

Payment is made according to the vendor record. Most contractual expenses are paid "net 30 days," meaning the vendor is paid within 30 days of receipt and acceptance of the services obtained.

F Required Roles for Processing Contractual PLCE's

To fully process a PLCE contractual purchase request, the following roles are required:

- TPOC
- ARMP, APOC, or Contracting Officer, as determined by State procedure
- State PLCE Monitor
- FMMI PLCE PO Processor
- FMMI PLCE PO Approver
- FMMI PLCE TY Processor
- FMMI PLCE TY Approver
- IAS Requisitioner
- IAS Budget Approver
- IAS Approver.

See Exhibits 21, 22, 23 and 24 for additional guidance, as needed.

Because of the complex and unique nature of PLCE transactions in IAS and FMMI, good communication between all parties is encouraged.--*

168 Processing PLCE Contractual Items (Continued)

G Basic Workflow for Contractual PLCE’s

As specified by FAR 1.602-1(b), only the Contracting Officer has the authority to enter into an agreement with a vendor for contractual supplies or services. The following workflow assumes use of the APOC and ARMP roles. In States using only a Contracting Officer, States will follow specific guidance provided by the State Contracting Officer or FBC Operations Branch when applicable.

A basic workflow is as follows.

Step	Action
1	TPOC identifies the PLCE requirement and completes the necessary fields on FSA-2128 for real estate and chattel appraisals or the FSA-2126 for everything else. FSA-2126 or FSA-2128 forwarded to ARMP or APOC, as applicable.
2	ARMP or APOC performs market research to obtain vendor’s information and completes the necessary fields on FSA-2126 or FSA-2128. Once ARMP/APOC determines a need for Contracting Officer’s involvement (market research pricing *--received is over the \$2,500.00 (non-appraisals) or \$10,000.00 (appraisal products) micropurchase threshold), ARMP/APOC makes recommendation for--* vendor selection inclusive of justification, includes supporting documents, and submits the entire package to the PLCE Monitor.
3	<p>On FSA-2126 or FSA-2128, the PLCE Monitor:</p> <ul style="list-style-type: none"> • confirms budget availability or requests funding from the National Office, as needed; • assigns the PAC and determines correct PLCE funds account; • enters FMMI vendor ID number, and • enters Placeholder PIID.
4	<p>PLCE Monitor forwards FSA-2126 or FSA-2128 to the PLCE PO Processor for entry into FMMI.</p> <ul style="list-style-type: none"> • The only way for FLP to guarantee availability of funds is to commit the funds through the ZMY, a purchase order transaction made in FMMI. When the ZMY is posted by the PLCE PO Approver, the Contracting Officer receives a PDF file showing name of Processor and Approver with date and time stamps of when the transaction went into FMMI. • Placeholder Procurement Instrument Identifier (PIID) is used during ZMY entry until Contracting Officer completes the procurement process and issues purchase order to vendor in IAS.

169 FMMI

A Background

FMMI is a commercial off-the-shelf web-based financial management system that provides online, real-time transactions, and on-demand query capabilities used Department-wide for all USDA financial and accounting functions. For PLCE, FMMI captures the following data:

- State allocations in 4 PLCE funding accounts
- ZMY transactions
- disbursements
- accounting adjustments related to ZMY or invoice modifications
- DATA Act reporting
- penalty interest
- manual disbursements
- post payment adjustments
- vendor records
- FSA client records.

The FMMI BOPR table stores and validates borrower and inventory property loan information to ensure that customer data entries are accurate and back-fed correctly to PLAS. See the FMMI User Guide, Section 6 for additional guidance.

B User Guide

The FMMI User Guide must be used in conjunction with this Part. It is located on the FSA FLP Intranet website under Software User Guides at <https://inside.fsa.usda.gov/program-areas/daflp/software-manuals/index>.

169 FMMI (Continued)

C Requesting FMMI Access

*--Request access to FMMI according to the following.

New FMMI users are required to complete the FMMI Quiz – Introduction to FMMI-PLCE Policies course which is available in AgLearn.

- Before submitting paperwork to the National Office, employee logs into the FMMI url portal at **<https://portal.fms.usda.gov>** to register for an account. Account holder will see their name listed on the page; however, no roles will be displayed until the ASA FMMI Security Team has approved the user access request.
- Using encrypted e-mail procedures, submit the following documents to **ann.smith2@usda.gov**:
 - copy of FMMI quiz certificate--*
 - completed and signed:
 - FSA-13-A
 - FM1, which is obtained from the contact listed in subparagraph 161 C.

Once the required documents are received, the National Office will process a user access request through the FMMI portal. NFC Security completes the user access request and notifies the employee when full FMMI-PLCE access is granted.

D Unlocking a FMMI Account

Employees whose accounts are administratively locked due to the 30-day inactivity guidelines are required to log a Remedy ticket on the FBC ServiceNow site – Financial Management/Systems at **<https://usdafpacbc.servicenowservices.com/fpac>**--*

***--170 Correcting or Changing FMMI Transactions**

A Modifying or Canceling a Financial Commitment (ZMY)

State Office shall see the **FMMI Document Chain Report** to confirm the status of the financial commitment ZMY transaction or invoice TY 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	Document Status Action
Obligation (ZMY) with No Disbursement.	Obligation Modification/Obligation Change.
Obligation (ZMY) with Partial Disbursement.	Obligation Modification/Obligation Change. If changing amount, new line amount may not go below available balance.
Obligation (ZMY) with Full Disbursement of All Line Items.	Obligation Modification to reflect amount actually paid.
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.

***--B Correcting PLCE Transactions on Discrepancy**

Although FMMI has any number of checks and balances to ensure accurate transactions, errors occasionally happen. If there is a problem with the FMMI to PLAS backfeed of a recoverable cost item, the 1L, 1X, or 1Y will sit on the discrepancy with no notification to the County Office that the discrepancy exists.

Using the PLAS Transaction Manager in DLS, recoverable PLCE charges should be monitored to confirm the charge is applied to a borrower’s account or inventory property within 30 to 45 calendar days from the date of the FMMI TY transaction. If a County Offices notices a PLCE charge on discrepancy, the **only** way to correct that discrepancy is through FMMI using the **Post Payment Adjustment** process. NFAOC does not have the authority to alter PLCE transactions.

If the charge is not found using DLS, County Offices are advised to access NITC/ADPS to research a possible issue with the PLAS to DLS backfeed of PLCE cost items. If a problem is found, the PLCE monitor should be contacted for additional assistance. Do not contact NFAOC unless directed by the National Office.--*

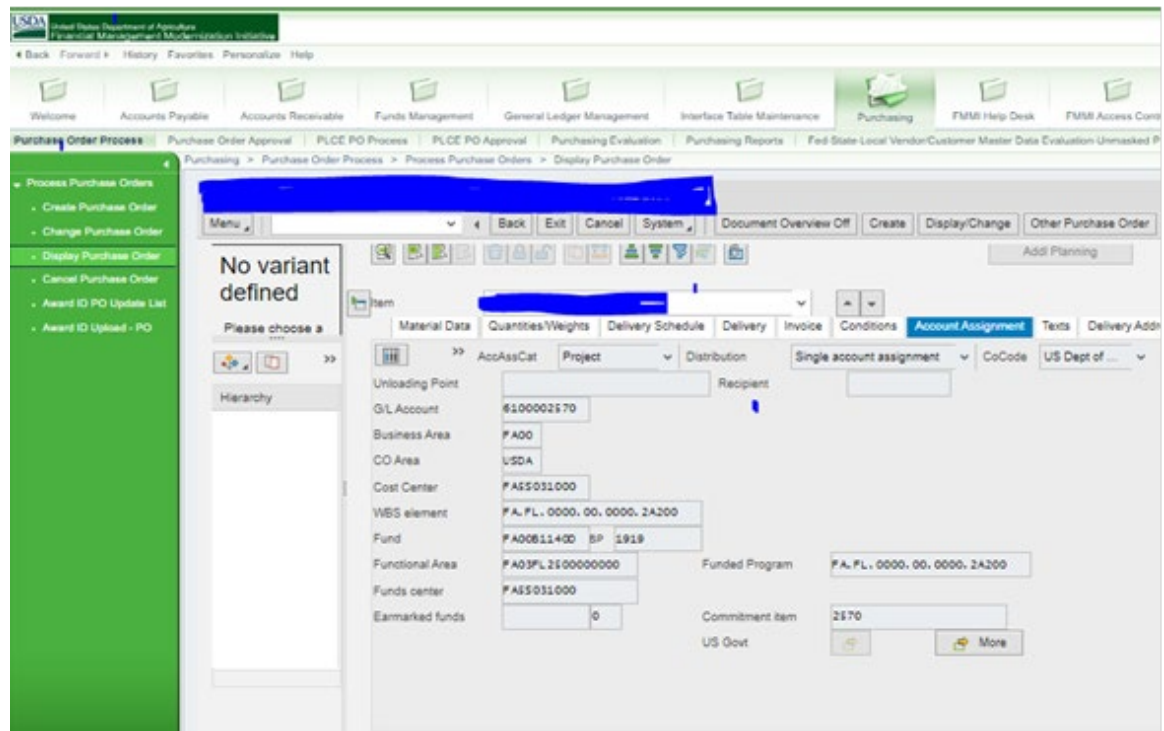
171 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)

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, Document Chain Report, and a print screen of fund and treasury symbol information shown within the Accounts Assignment tab for the ZMY to the Direct Loan Division at ECM FAX number 314-457-4539

The following is an example of the account assignment screen.



Instructions for obtaining information from the account's assignment tab within FMFI:

- Select Purchasing > Purchase Order Process
- Select Display Purchase Order > Other Purchase Order tab
- Enter ZMY document in the field
- Select Item Detail tab > Accounts Assignment tab
- Take screen print of the information to be included with the emergency check request.--*

171 Stopping, Canceling, or Replacing Payments and Requesting Emergency Payments (Continued)

F Requesting an Emergency Check (Continued)

- *--send an e-mail to **all** 5 of the following notifying them of the emergency check request
 - Joseph Council - **joseph.council@usda.gov**
 - Samuel Kayser - **samuel.kayser@usda.gov**
 - Antoinette Taylor - **antoinette.taylor@usda.gov**
 - Amanda Metzger – **amanda.metzger@usda.gov**
 - Ryan Loewe – **ryan.loewe@usda.gov**.--*
- send copies of FSA-2126, the FSA-2172 documents, Document Chain Report, and screen print of the account's assignment information to BOB at **RD.NFAOC.BOB-PLCE@STL.USDA.GOV** for the manual input of the check request into FMMI:--*

The State FMMI PLCE TY Processor will **not** enter the TY transaction into FMMI.

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.

172-200 (Reserved)

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
CMT	Constant Maturity Treasury	Ex. 17
CMVB	current market value buyout	23
CNC	currently not collectible	251, Ex. 5, 13, 13.5
CO	Contracting Officer	141, 166, Ex. 41-44, 60, 69
CONACT	Consolidated Farm and Rural Development Act	1, 21, 29, 142, 251
CPA	Certified Public Accountant	Ex. 26
CSA	community supported agriculture	242, Ex. 28
DATA	Digital Accountability and Transparency Act	Part 7
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, 17
DUNS	Data Universal Numbering System	Ex. 41-44
ECM	Enterprise Content Management	5, 52
EIN	employer identification number	53
EPM	Enterprise Performance Management	54
ERSR	Electronic Repository of Security Requests	53
FAIN	Federal Award Identification Number	66
FaSB	Farm Services Branch, NFAOC	5, 41, 52
FAR	Federal Acquisitions Regulation	141, 161, 162, 165, 166, Ex. 2, 61
FBC	Farm Production and Conservation Business Center	Text
FCSB	Farm and Community Services Branch, NFAOC	5, 50, 52
FCAO	Farm Credit Applications Office	49
FHP	Farm and Home Plan	Ex. 5
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	161-171
FPAC	Farm Production and Conservation	161, 163, 168
FPDS-NG	Federal Procurement Data System -New Generation	168
IAS	Integrated Acquisition System	168, Ex. 21-22
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. 16
LR	limited resource	223, 261, 263, Ex. 16
LRA	Lead Regional Appraiser	4, 141, 142, Ex. 41-43
LRS	Loan Resolution Specialist	23, 26, Ex. 7

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

Abbreviations Not Listed in 1-CM (Continued)

Approved Abbreviation	Term	Reference
ML	microloan	222, 242, Ex. 16
MRT	Master Reference Table	444
NFAOC	National Financial Accounting and Operations Center	5, 46, 170, 171
OA	Office of Adjudication	41
OTI	Opportunity to Improve Plan	25
PAC	Program Authority Code	163, 166, 168
POA	Policy Oversight and Accountability	161, 162, 163, 167
PARLC, LAO (FFIS Team)	Policy, Accounting, Reporting, and Loan Center, Loan Accounting Office	169
PCA	Production Credit Association	Ex. 18
PIID	Placeholder Procurement Identification Number	162, 168
PIP	Performance Improvement Plan	25
PLP	Preferred Lender Program	29, 43, Ex. 5, 36
PLS	Primary Loan Servicing	23, 25, 27, 29, 42, 144, Ex. 5, 36
PLV	potential liquidation value	142, Ex. 40
POAD	Program Operations and Appraisals Division	Text, Ex. 40
PPA	Post payment adjustment	161
PRB	Programs Report Branch, NFAOC	5
PVND	Term in the FMMI User Guide representing the creation of a vendor record	165
RCN	replacement cost new	Ex. 51
REO	real estate owned	Ex. 40
RRA	Regional Review Appraiser	4
SALP	Special Apple Loan Program	2, 29
SAM	System for Award Management	43, 141, 161, 164-166, Ex. 41-44
SAP	Simplified Acquisition Procedure	60, 61, 141, 142, Ex. 60-62
SDMS	State Directives Management System	3, 103
SEL	standard eligible lender	25, 43, Ex. 5, 36
SLR	Security Liaison Representative	53
SOW	Statement of Work	141, 142, 143, Ex. 40-44, 64, 69
TC	transaction code	46, 49, 50, 52, 164, 169

*--Type of Assistance, Fund, and Kind Codes (Continued)

E Direct FO CL's

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
590	FO - CL - Regular	30	00
591	FO - CL - Non-Beginning Farmer - SDA - Gender	30	05
592	FO - CL - Non-Beginning Farmer - SDA - Ethnic	30	05
593	FO - CL - Priority - Beginning Farmer	30	01
631	FO - CL - Priority - Beginning Farmer - SDA	30	01
632	FO - CL - Priority - Convert to Organic and Sustainable Operation	30	01
633	FO - CL - Priority - Highly Erodible Land Protection	30	01

F Guaranteed FO's (G-FO)

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
031	FO - Farm Enterprise - Regular - SDA - Ethnic	41	05
036	FO - Farm Enterprise - Regular	41	00
124	FO - Farm Enterprise - Regular - SDA - Gender	41	05
203	FO - Farm Enterprise - Beginning Farmer - Regular	41	00
205	FO - Farm Enterprise - Beginning Farmer - Regular - SDA - Ethnic	41	05
206	FO - Farm Enterprise - Beginning Farmer - Regular - SDA - Gender	41	05

G Guaranteed FO CL's (G-CL)

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
596	FO - CL - Regular	30	00
597	FO - CL - Non-Beginning Farmer - SDA - Gender	30	05
598	FO - CL - Non-Beginning Farmer - SDA - Ethnic	30	05
599	FO - CL - Priority - Beginning Farmer	30	01
634	FO - CL - Priority - SDA	30	01
635	FO - CL - Priority - Convert to Organic and Sustainable Operation	30	01
636	FO - CL - Priority - Highly Erodible Land Protection	30	01

--*

Type of Assistance, Fund, and Kind Codes (Continued)

H Land Contract Guarantee Program

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
Contract Land Sales - Prompt Pay			
601	Guar - NBF - SDA- Gender	41	05
595	Guar - NBF - SDA- Ethnic	41	05
397	Guar - Begin Farmer	41	00
604	Guar - Beg Farmer - SDA - Gender	41	05
603	Guar - Beg Farmer - SDA - Ethnic	41	05
Contract Land Sales - Standard			
602	Guar - NBF - SDA- Gender	41	05
600	Guar - NBF - SDA- Ethnic	41	05
608	Guar - Begin Farmer	41	00
607	Guar - Beg Farmer - SDA - Gender	41	05
606	Guar - Beg Farmer - SDA - Ethnic	41	05

I EM's

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
056	EM - Actual Loss - Real Estate Purpose	43	61
060	EM - Citrus Grove Rehabilitation/Re-Establishment	43	21
092	EM - Actual Loss - Operating Purposes	43	62

J ITLAP's

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
042	Indian Land Acquisition	98	
043	Indian Land Acquisition - LR	98	
*--589	Direct Indian Fractionated Land – Tribal	90	01
594	Direct Indian Fractionated Land – Non Tribal	90	02--*

K Boll Weevil Eradication Loan

Type of Assistance	Description	Fund Code (2-Digit)	Kind Code
198	Boll Weevil Eradication	44	22

PLCE Roles and Responsibilities

Following are the roles and responsibilities for employees carrying out PLCE transactions.

Role	Responsibilities	Eligible Positions	Training Requirements	Authority	* * *
--TPOC/OO--	Identifies PLCE need; Receives completed work; Recommends payment for completed work	FLC; FLS; DD; FLM; FLO; LA; LRA; PT; Staff appraiser	Ethics training	Inherent to position or delegated according to 1-FLP, subparagraph 23 C and Exhibit 7	* * *
PLCE Monitor	Certifies PLCE budget availability on FSA-2126 or FSA-2128; Assigns Federal Award Identification Number (FAIN) when required; Obtains Procurement Instrument Identification (PIID) from Contracting Officer; and Responds to vendor payment inquiries	* * * Staff selected by SED and FLC	Ethics training	No delegation required – identified in required 1-FLP State supplement	* * *
ARMP	Obtains bids; Makes micropurchase; Notifies Vendor of award; issues Task Order to Vendor; Notifies County Office of Vendor award; Coordinates modifications of initial award with PLCE Monitor and Contracting Officer; Receives copy of completed work; *--Certifies services or products received and accepted; Submits invoice to FMFI--* TY Processor; Maintains log of transactions and rotation of awards among vendors; *--May receive and accept completed work and recommend payment for completed work--*	FLC, FLS, DD, FLM, FLO, LA, LRA, Staff appraiser, * * *	<ul style="list-style-type: none"> • Procurement Integrity, .5 hours (score of at least 70% is required) • 508 Awareness, 1 hour (score of at least 95% is required) • ARMP Farm Loan Programs Micropurchase Payments (Exhibit 24) • .25 hours to read and sign • Ethics training 	delegated by AMD after submission of training certification	* * *

PLCE Roles and Responsibilities (Continued)

Role	Responsibilities	Eligible Positions	Training Requirements	Authority	***
APOC	For appraisals only: Obtains bids, makes micropurchase, notifies vendor of award, issues task order to vendor. Notifies County Office of Vendor award. Coordinates modifications of initial award with PLCE Monitor and Contracting Officer. Receives verification of completed work with a copy of approved administrative or technical *--review; Certify services and products received and accepted; Submits invoice to FMMI TY--* Processor; and maintains a log of transactions and rotation of awards among vendors	FLC, FLS, DD, FLM, FLO, LA, LRA, Staff appraiser	ARMP * * * training.	<ul style="list-style-type: none"> *--Must have ARMP for the APOC role Identified by FLC--* 	* * *
FMMI PLCE PO Processor and FMMI PLCE TY Processor	Enters information from FSA-2126 and FSA-2128 into FMMI and creates Purchase Order (ZMY); Enters information from FSA-2126 and FSA-2128 into FMMI and creates Invoice Document (TY)	*--Any Position--*	Ethics training.	no delegation required – identified in required 1-FLP State supplement	* * *
FMMI PLCE PO Approver AND FMMI PLCE TY Approver	Approves Purchase Order (ZMY) in FMMI; Approves payment of Invoice Document (TY) in FMMI	Must not be in a subordinate position to the Processor	Ethics training	No delegation required – identified in required 1-FLP State supplement	* * *
IAS Requisitioner	Enters procurement request	Any FSA employee who has system access	<ul style="list-style-type: none"> Ethics training. No specific IAS training required; however, encouraged to attend training listed at https://ias.usda.gov. 		* * *
IAS Approver	Approves use of funds	Must be in a * * * position of a higher grade than IAS Requisitioner	<ul style="list-style-type: none"> Ethics training. No specific IAS training required; however, encouraged to attend training listed at https://ias.usda.gov. 		* * *
IAS Budget Approver	Certifies completion of ZMY Obligation of PLCE funds/budget commitment	PLCE Monitor Only	<ul style="list-style-type: none"> Ethics training No specific IAS training required; however, encouraged to attend training listed at https://ias.usda.gov. 		* * *

PLCE Roles and Responsibilities (Continued)

*--

For Each PLCE Transaction	THEN YOU MAY ALSO DO:							
IF YOUR ARE THE:	TPOC	PLCE Monitor	ARMP	APOC	ZMY Processor	ZMY Approver	TY Processor	TY Approver
Technical Point of Contact (TPOC)	X		X*	X*	X		X	
PLCE Monitor		X				X		X
ARMP			X	X	X		X	
APOC			X	X	X		X	
ZMY Processor	X				X		X	
ZMY Approver		X				X		X
TY Processor	X				X		X	
TY Approver		X				X		X
WHEN IAS IS INVOLVED (Contracting):	THEN YOU MAY ALSO DO:							
IAS Requisitioner	X				X		X	
IAS Approver	X				X		X	
IAS Budget Approver		X				X		X

Note: The above “THEN YOU MAY ALSO DO” applies to each unique PLCE transaction. Separation of duties is essential to maintain the integrity of the purchasing process. However, because of staffing levels, it may be necessary for an employee to have multiple roles in a PLCE transaction. Multiple roles should only be used when adequate staff are not available to process a PLCE transaction request. Additional roles that an individual may perform are noted with an (X) in this chart. A PLCE transaction would be an obligation process (APOC initiates, PLCE Monitor authorization, FMMI Processor, FMMI Approver). A separate PLCE transaction would be the payment process, or cancellation, or modification.

As outlined in subparagraph 167 G: For those States having all FLO and FLM and FLPS/FLPC designated as an ARMP, dual roles as TPOC and ARMP exist. If there is no separate TPOC in the office initiating the PLCE request, then the FLO or FLM or FLPS/FLPC will perform all TPOC duties in addition to all ARMP duties listed in the workflow.--

PLCE Roles and Responsibilities (Continued)

***--Examples of Separation of Duties:**

Example #1: An authorized agency official can be a TPOC and identify the need for an appraisal for an applicant on one order; the same person can be an ARMP/APOC for a separate PLCE transaction. See subparagraph 167 G for exceptions.

Example #2: A person can be the FMMI ZMY Processor or TY Processor for one PLCE transaction, then on a different transaction a person could be the PLCE monitor or the FMMI ZMY approver and TY approver for a separate PLCE transaction. They cannot be both the processor and approver for the same PLCE transaction. Refer to the above chart.

Example #3 ARMP/APOC (A) receives an appraisal request for ordering of an appraisal from a TPOC. The ARMP/APOC (A) cannot act as a Type 60 monitor or a FMMI approver but they could act as a FMMI processor since they are not approving the request in FMMI. However, ARMP/APOC (B) can.

On the next appraisal request from the TPOC, ARMP/APOC (B) initiates the ordering of an appraisal, ARMP/APOC (A) could have the role of Type 60 monitor and/or FMMI approver ensuring a proper separation of duties for this request is properly maintained. Refer to the above chart.--*

PLCE Roles and Responsibilities (Continued)

***--Example of Non-Contractual Separation of Duties:**

PLCE cost items that consist of paying a bill, statement, or similar demand for payment generated by a third-party against a borrower or inventory property are referred to as Routine Loan Account Maintenance, otherwise called “non-contractuals”. These cost items are **exempt** from FAR and Agriculture Acquisition Regulation (AGAR) provisions and are not subject to total cost thresholds. All non-contractual PLCE’s have fixed costs and predetermined, specific vendors. The cost and vendor for non-contractual items are all outside FSA’s control and, if the cost item is not paid, the Government’s security interests are threatened. (subparagraph 163 B)

Example: POC submits FSA-2126 and invoice document to PLCE monitor for funds approval. PLCE monitor reviews for completeness, accuracy and validity; assigns 18-digit FAIN number; enters FMMI vendor ID, PAC code, fund code; certifies availability of funds; and sends completed FSA-2126 to FMMI processor. FMMI processor enters request in FMMI to create ZMY. PO FMMI approver accesses parked PO verifies information and approves PO in FMMI which creates allocation of funds. (ZMY transaction completed)

FMMI processor enters invoice in FMMI. FMMI Approver accesses parked invoice verifies information and approves invoice which triggers funds disbursement by National Finance Office. FMMI Approver makes sure copies of the completed FSA 2126, ZMY document and TY document are returned to requesting office for placement in borrower file.

In this case a minimum of two employees can be used as the TPOC can also serve as the FMMI processor. The PLCE monitor can also serve as the FMMI approver. The FMMI approver should never be an employee of a subordinate position to the FMMI processor.--*

***--Creating IQ-Program Loan Cost Fund Requisitions (Continued)**

The screenshot shows the 'iProcurement' interface for a 'Non-Catalog Request'. The form includes fields for 'Item Type' (set to 'Goods or services sold by amount'), 'Item Description', 'Reserved for purchase time' (set to 'YES'), and 'Currency' (set to 'USD'). On the right side, there are input fields for 'Supplier Name', 'Site', 'Contact Name', 'Phone', and 'Supplier Item'. Action buttons for 'Clear All', 'Add to Cart', and 'Add to Favorites' are visible at the top right and bottom right of the form area.

Requisitions enters the applicable information at this screen:

- 1) Non-Catalog Request
- 2) Item Type: choose from the drop-down menu
- 3) Item Description: Enter description of the requirement based on Form 2126 or 2128 or the statement of work.
- 4) Enter amount of PLCE requirement
- 5) Currency: Defaults to USD
- 6) Supplier Name: Vendor name should be included on the 2126 or 2128.
- 7) Site Field: this information will populate with the vendor's name.
- 8) Contact name: Enter the contact name for vendor.
- 9) Phone: Enter the telephone number for the contact.

Select the Add to Cart function - information will flow into the shopping cart.

--*

Creating IQ-Program Loan Cost Fund Requisitions (Continued)

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The screenshot shows a web-based requisition form. At the top, there are navigation tabs: 'Shop', 'Requisitions', and 'Receiving'. Below this, there are three progress indicators: 'Requisition Information', 'Approvals', and 'Review And Submit'. The main form area is titled 'Checkout: Requisition Information' and includes a note: '* Indicates required field'. The form contains several input fields:

- Requisition Description:** Sample Requisition
- Transaction Code:** IQ-PROGRAM LOAN COST FUNDS (with a magnifying glass icon)
- Acquisition Approval Request (AAR) #:** Non Commit/PLCF Line
- Type of IT Investment:** (with a magnifying glass icon)
- Unit:** STATE (with a magnifying glass icon and a dropdown menu showing 'FSA State Office, Contracting Org.')
- Delivery Section:**
 - Product/Service Need-By:** 20-Jun-2019 10:26:36 (with a calendar icon and a note: 'example: 23-May-2019 19:45:00')
 - Requester:** (empty field)
 - Deliver-To Location:** FSA-WDC-DAFLP-LMD (with a magnifying glass icon)
- Billing Section:** Charge Account: FA00.ZZ.ZZZZZZZZ.3320

 At the bottom right of the form, there are buttons for 'Cancel', 'Save', 'Edit Lines', and 'Next', along with the text 'Step 1 of 3'.

- 1) Requisition Description: Information will populate from the proceeding page.
- 2) Transaction Code: Select the magnifying glass and use the IQ% wild-card to obtain a list of transaction codes. Select the IQ Program Loan Cost Funds option.
- 3) Acquisition Approval Request (AAR) #: Not a mandatory field.
- 4) Type of IT Investment: Not a mandatory field.
- 5) Unit: Select the Contracting Office Region:
 FPAC: Business, Support Contracting Organization or
 State: FSA State office Contracting Organization
- 6) Product/Service Need by Date: Click on the calendar and select the date the requirement is needed.
- 7) Deliver to Location: This field should be pre-populated to reflect the employee's current location. If this location needs to be changed, select the magnifying glass to make the necessary change.
- 8) Charge Account: Select the link. The accounting code should reflect one of these types of funds:
 FA.00.ZZ.ZZZZZZZZ.3360 – Direct Financing (R) Account
 FA.00.ZZ.ZZZZZZZZ.3360 – Direct Liquidating or Inventory Property (L) Account
 FA.00.ZZ.ZZZZZZZZ.3360 – American Recovery and Re-investment Act (ARRA) (S) Account
 FA.00.ZZ.ZZZZZZZZ.2570 – Program Account (A) Account

*

***--Agency Representative for Micropurchase (ARMP) Request for Delegation**

ARMP's must read, sign, and date the following before AMD grants delegated authority for micropurchases.

Your Blueprint for Success

This section will lead you step-by-step through the process of preparing to use your micropurchase authority.

Verify you have completed the training and received the Acquisition Management Division Delegation of Authority letter and you have it readily available for audit purposes.

Ensure Availability of Funds

You must establish the amount of your available funds BEFORE authorizing service or making any purchases.

You must track purchases during the month to ensure that there are sufficient funds available to make all required purchases. ARMP's should use a log system to record purchases and the dollar amounts committed. Then they know at a glance the amount of their unobligated funds or certified fund availability.

Conduct Market Research

Market research allows you to make an informed, responsible, reasonable purchase. Do enough market research to ensure that the Government gets a good value for its money in terms of reasonable price and timely/reliable/quality service. The purchase should represent the best buy that meets the Government's minimum requirements.

When applicable, compare prices and check with your contracting activity to see if there are existing contracts that offer you a good price, service, and quality. These existing contracts have been negotiated at your agency or by other agencies and can sometimes offer advantages in time and money savings. Check with the merchant to determine if they accept the purchase account.

Select the Best Value

When making micropurchases, identify the service that best satisfies the requirement, weighing both price factors and non-price factors. You can use a higher priced contractor if it represents a better value, but it is your responsibility as the ARMP to perform basic comparison-shopping and to briefly document the basis for your purchase decisions.--*

Agency Representative for Micro-purchase (ARMP) Request for Delegation (Continued)

Seek State Tax Exemption

Visit the **GSA SmartPay Website** to find out more about the State tax requirements in your state.

Talk to Merchants

You should be as specific as possible when talking to merchants. Ask about the following.

- Price.
- Time of delivery.
- Communicate required deliverable.
- Discounts for Government purchases, if applicable.
- Invoicing requirements.

When you have all the necessary information, make the purchase.

Note: A merchant may never require the ARMP to complete a postcard or similar device that includes the account holder's account number, card expiration date, signature, or any other account data in plain view when mailed.

Is It Necessary to Distribute Purchases?

FAR Part 13.203(a)(1) of the Federal Acquisition Regulations recommends that micropurchases be equitably distributed among qualified merchants to the extent practicable.

Determine Dollar Limits

There are generally two types of dollar limits applied to your delegation of authority.

- *--Single purchase limit - \$2,500.00 for services and \$10,000 for appraisal products.
- Monthly purchase limit - total monthly purchase limit (MPL) may not exceed \$75,000.--*

Single purchase limits and monthly purchase limits are established when your delegation of authority is set up. They are based on the single purchase limit above and the budgetary limits of your office. The single purchase limit is the dollar limit for an individual transaction. The monthly limit represents the cumulative dollar limit for your purchases in one month. It may be set to any dollar amount equal to or greater than the single purchase limit. Verify both of your limits with your program budget authority. Other restrictions such as number of transactions and merchant restrictions may apply. You have authority to only make purchases or payments allowed on your AMD delegation of authority letter; all other micro-purchase transactions are prohibited.

Exceeding Your Dollar Limit

Prior to proceeding with your purchase, you will check to see if it exceeds any of your dollar limits. All attempted transactions that exceed your single or monthly limit will be automatically declined and referred to your delegated state contracting officer or to AMD. It is your responsibility to know how much you have spent against your limits before you purchase. Do not rely on others to do this for you.

Agency Representative for Micro-purchase (ARMP) Request for Delegation (Continued)

Select Required Sources

--Purchases should be consistent with established guidelines for required sources of products and-- services and applicable acquisition procedures for making micropurchases. Procurements paid for through your delegation of authority are subject to the acquisition rules established in the Federal Acquisition Regulations (FAR) and your Agency/Organization policies and procedures. The Federal Acquisition Streamlining Act did not abolish the priorities for use of the Government supply sources as stated in FAR Part 8 (Required Sources of Supplies and Services) of the Federal Acquisition Regulations. Micropurchases are not exempt from this requirement. The following information from FAR Part 8 lists the priorities for use of Government supply sources:

8.002 Priorities for use of Government supply sources.

(a) Except as required by 8.003, or as otherwise provided by law, agencies shall satisfy requirements for supplies and services from or through the sources and publications listed below in descending order of priority:

(2) Services. Services that are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (see subpart 8.7).

(b) Sources other than those listed in paragraph (a) of this section may be used as prescribed in 41 CFR 101-26.301 and in an unusual and compelling urgency as prescribed in 6.302-2 and in 41 CFR 101-25.101-5.

(c) The statutory obligation for Government agencies to satisfy their requirements for supplies or services available from the Committee for Purchase From People Who Are Blind or Severely Disabled also applies when contractors purchase the supplies or services for Government use.

8.004 Use of other sources.

--If an agency is unable to satisfy requirements for products and services from the mandatory-- sources listed in 8.002 and 8.003, agencies are encouraged to consider satisfying requirements from or through the non-mandatory sources listed in paragraph (a) of this section (not listed in any order of priority) before considering the non-mandatory source listed in paragraph (b) of this section. When satisfying requirements from non-mandatory sources, see 7.105(b) and part 19 regarding consideration of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business (including 8(a) participants), and women-owned small business concerns.

--(a)(1) Products. Federal Supply Schedules, Governmentwide acquisition contracts, multi-agency-- contracts, and any other procurement instruments intended for use by multiple agencies, including blanket purchase agreements (BPAs) under Federal Supply Schedule contracts (e.g., Federal Strategic Sourcing Initiative (FSSI) agreements accessible at <http://www.gsa.gov/fssi> (see also 5.601)).

(2) Services. Agencies are encouraged to consider Federal Prison Industries, Inc., as well as the sources listed in paragraph (a)(1) of this section (see subpart 8.6).

Agency Representative for Micro-purchase (ARMP) Request for Delegation (Continued)

(b) Commercial sources (including educational and non-profit institutions) in the open market. With a connection to the internet, you can quickly browse through the GSA on-line shopping mall for thousands of commercial products and services including JWOD/NIB/NISH and UNICOR products.

GSA *Advantage!*®™ is designed to link GSA schedule products and services, stock items, catalog descriptions, current pricing, and delivery information in a single location to make ordering easier for you. To place an order, you can use your purchase charge card. The address for GSA *Advantage!*®™ is www.gsaadvantage.gov/.

For any questions regarding GSA's Products and Services, call the National Customer Service Center (NCSC) at 1-800-488-3111.

Small Business

Increasing opportunities for small businesses in Federal contracting is a priority. The Office of Management and Budget (OMB), along with the Small Business Administration (SBA), is improving access by small businesses to the Federal market and to boost communications to small businesses about Federal business opportunities. As part of these efforts, you are reminded of the *--importance of considering small businesses when buying products and services at or below the--* micropurchase threshold. The Federal Acquisition Regulation (FAR) states that use of the Government-wide purchase card is the preferred method for buying these small purchases. To find small business resources, please consider visiting the GSA Advantage! And DoD e-Mall websites.

Shop Smarter

- Use GSA Advantage! to conduct quick and easy market research and to order already negotiated low-price items.
- Take advantage of the Blanket Purchase Agreements (BPAs) your agency has negotiated to get better prices.
- Always ask for discounts at the point of sale - whether or not point-of-sale discounts are given.

Presidential Executive Order on Buy American and Hire American

It shall be the policy of the executive branch to buy American and hire American.

- Immediate Enforcement and Assessment of Domestic Preferences According to Buy American Laws: Every agency shall scrupulously monitor, enforce, and comply with Buy American Laws, to the extent they apply, and minimize the use of waivers, consistent with applicable law.
- Judicious Use of Waivers: To the extent permitted by law, public interest waivers from Buy American Laws should be construed to ensure the maximum utilization of goods, products, and materials produced in the United States.

***--Simplified Farm Real Estate SOW**

Background

The Farm Service Agency (FSA), an agency of the U. S. Department of Agriculture (USDA), makes and services loans secured by real estate. FSA needs appraisal reports to complete various direct loan making and loan servicing responsibilities. The Statement of Work (SOW) addresses FSA's requirements for farm/ranch, other than residential, real estate appraisal services.

Objective and Work Requirements

FSA intends for the Vendor to perform a real estate appraisal and to provide appraisal reports in a PDF version to FSA by the specified date. Timely delivery of the appraisal report is critical to the success of FSA's meeting its mission and providing loan assistance to farmers. The real properties with any described fixtures and chattels are to be appraised on any format allowed by Uniform Standards of Professional Appraisal Practices (USPAP). All appraisals must meet current USPAP's standards as of the effective date of the appraisal.

Scope

The purpose of this SOW is for FSA to obtain a market value as defined in 12 CFR 34.42 (h). The appraisal shall be completed in accordance with USPAP and any other appraisal assignment conditions provided by FSA.

Period of Performance

Typically, the period of performance is 30 calendar days from the date of the engagement letter or the purchase order unless otherwise specified. The appraiser should realistically estimate the timeframe to complete the appraisal assignment. The appraisal report must be received by the requesting office described in the engagement letter and/or purchase order. A request for an extension of the delivery date must include the reason for the extension and the timeframe that the appraisal report will be completed. Requests for an extension can be submitted via e-mail to the Appraisal Point of Contact (APOC) or the Contracting Officer (CO), if a purchase order was issued, as described in the work order. Written authorization for the extension or modification will be an e-mail response from the Agency.

Exceptions to Work Requirements

Any exceptions to the assignment conditions must be submitted in writing to the APOC or the CO. The APOC or the CO will respond to the request in writing.--*

*--Simplified Farm Real Estate SOW (Continued)

FSA's Appraisal Requirements

Item	Information Element	FSA Appraisal Requirement Content Description
1	Client	The Client will be the Farm Service Agency (FSA) as designated on the appraisal order or Letter of Engagement (LOE).
2	Intended User(s)	The Intended User(s) will be the FSA and others as listed by the Client on the appraisal order or LOE. Do not include the borrower or property owner as an Intended User.
3	Intended Use	Loan making or servicing as set forth in the engagement letter.
4	Appraisal Report	FSA appraisals must be reported under the appraisal report option.
5	Purpose	Purpose is to develop an opinion of market value.
6	Market Value	Definition and source of "Market Value" to be used in FSA appraisal is 12 CFR 34.42 (f)
7	Hypothetical Conditions and Extraordinary Assumptions	State all extraordinary assumptions and hypothetical conditions and that their use might have affected the assignment results and obtain prior written approval before including any additional extraordinary assumptions or hypothetical conditions not already called for in the letter of engagement.
8	Estate Appraised	Fee simple estate subject to any actual or assumed (client specified) interests that are reflected in the valuation
9	Scope of Work	State the research and analyses conducted in the appraisal report. It is the Vendor's responsibility to insure the appraisal's scope of work is adequate to develop credible assignment results. Physical inspections of both the Subject property and Comparable Sales are required unless APOC has provided written exception.
10	Subject Property	Identify and summarize the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including its physical, legal, and economic attributes along with any known easements, restrictions, encumbrances, leases, reservations, covenants, etc. The report shall include the following subject information: <ul style="list-style-type: none"> • soil, tax, aerial, topography and flood maps • photos of the subject building(s) and land. • property zoning and permitted land uses. • considerations of minerals & timber and their influence of value.
11	Location	Identify neighborhood and regional boundaries and provide a summary of the social, economic, government, and environmental considerations that impact on the subject property.
12	Highest and Best Use (HBU)	Summarize and support the rationale for the subject property as vacant and as improved. Land and improvements must be valued with the "consistent use" theory.

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***--Simplified Farm Real Estate SOW (Continued)**

FSA's Appraisal Requirements (Continued)

Item	Information Element	FSA Appraisal Requirement Content Description
13	Comparable Sale Data and Analysis	<p>Sales selected for direct comparison to the subject should have similar physical and economic characteristics; highest and best use; meet the market value definition. The appraisal should also include the following:</p> <p>Aerial map outlining the sales boundaries and photos including of primary building improvements.</p> <p>Allocation of the sale price amongst land and all buildings with contributory value.</p> <p>Identify the comparable land classes/acreages and land class ratios in markets sensitive to NRCS land classifications.</p> <p>Allocation of comparable building value for buildings contributing value. Replacement value, actual age, effective age, total economic life, remaining economic life and building contributory value should be given.</p> <p>Depreciation analysis for physical, functional and external obsolescence needs to be considered in the appraisal report.</p> <p>The Subject property pending sale shall not be used as a comparable sale.</p>
14	Contracts for Production, Marketing or other Similar Agreements	<p>Summarize market / production contracts, marketing plans, or other similar documents for the subject and sales. Base pay projections should be used for livestock projections to avoid the valuation of management. A copy of the actual contract should be attached in the addenda of the report, if in place, or a letter of intent from the integrator, if not. Sales with similar contracts should be used to value the subject when a market/production contract is in place, or will be in place.</p>
15	Location Map	<p>Location map shall easily locate subject and sales.</p>
16	Value Approaches	<p>All three approaches to value shall be considered and used when necessary for credible assignment results. When a particular valuation approach is not developed, the appraisal report must explain why the excluded approach was not necessary for credible results.</p>

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***--Simplified Farm Real Estate SOW (Continued)**

FSA's Appraisal Requirements (Continued)

Item	Information Element	FSA Appraisal Requirement Content Description
17	Sales Comparison Approach	<p>A minimum of three (3) comparable sales (not listings) are required for direct comparison while additional sales are customarily provided when the sales provide a wide range of unadjusted unit values.</p> <ul style="list-style-type: none"> • Quantitative adjustments should be made for transactional elements of comparison and for differences in land and buildings. • Summarize the information analyzed, the appraisal methods and techniques employed, and reasoning that supports the analyses, opinions, and conclusions.
18	Cost Approach	<p>Summarize comparable sales used to estimate the value of the subject site in a table format. Depreciation estimates for the subject should be based on market derived depreciation estimates of the comparable sales analyzed.</p>
19	Income Approach	<p>When the direct capitalization method is used, the appraisal should show how the cap rates from the comparable sales were derived, gross income, operating expenses, and net income. The appraisal should provide analysis/discussions how the rent levels, capitalization rates/ discounted cash flow rates for the subject property was selected along with its gross income, operating expenses and net income levels.</p>
20	Reconciliation	<p>Reconcile the quality and quantity of data within the approaches used and reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion</p>
21	RMP	<p>Appraisal shall employ those recognized techniques for rural property valuation as exemplified and promulgated through professional appraisal organizations. .</p>
22	*If required by APOC, other appraisal assignment conditions may also be required	<p>FSA Appraisal Guidelines for Dairy, Hog, Poultry, Timber and/or other appraisal assignment conditions may also be required. These conditions will be attached to the letter of engagement if required.</p>

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***--Simplified Farm Real Estate SOW (Continued)**

Agency Statement of Work Contact Information

The following FSA employee(s) are the authorized agency official that is the APOC or the CO to assist the vendor on acquisition process, the SOW terms and requirements and can provide information to an appraiser that would like to be added to the FSA Appraiser Vendor registry.

Name:

Address:

Phone:

FAX:

Acceptance Criteria

Delivery of the appraisal report will include a properly executed invoice. Invoice for payment will be processed when the appraisal is determined acceptable by FSA. An acceptable product will include:

1. Appraisal report must be delivered by the completion date stated on the engagement letter and/or work order (plus any extension of time granted by FSA).
2. Appraisal report is completed in accordance with current USPAP requirements and meets the work requirements of this SOW that are applicable and any other requirements for a specific property which will be found in the engagement letter and/or work order for each appraisal order.
3. An administrative appraisal review or a technical appraisal review accepts the appraisal report by FSA. If the administrative appraisal review indicates that the appraisal report may not be acceptable, FSA will request a technical appraisal review. If the FSA Review Appraiser requires additional information to support the adjustments, explanation of the process, or SOW requirements must be met, the invoice approval and payment of the appraisal fee will be held until the appraisal is found acceptable to FSA.

The request for additional information will provide a specific timeframe for the information to be delivered and the criteria for the updated material to be added to the appraisal report. Typically, the timeframe to update the appraisal is 7 calendar days or as specified by the request letter. If the appraiser determines that a completed appraisal report will need to be reissued, the contract appraiser will need to have approval from the APOC or the CO.

The appraisal report must be delivered by the completion date stated on the engagement letter or work order or as provided by an extension granted by FSA.--*

***--Simplified Farm Real Estate SOW (Continued)**

Invoicing

Invoice Information

A properly executed invoice for payment will be submitted to the APOC or the CO as directed in the engagement letter or work order. The invoice will include the appraiser's name, address, invoice number, DUNS number, name of the applicant/borrower as identified in the engagement letter or work order, county/borough/parish/city name that the appraisal was completed in and the amount.

Invoice Approval

The invoice will be processed for payment when the appraisal is determined acceptable by FSA. If the appraisal is not acceptable, the appraisal fee will be held until the appraisal is found to be acceptable to FSA.

Final Payment

Federal Acquisition Regulations provide the U.S. Government 10 business days from receipt date of the appraisal to determine if the appraisal is acceptable. The invoice will be processed for payment within 30 calendar days or less from the date the appraisal was accepted. The appraiser will be notified in writing if the appraisal is unacceptable and at the discretion of the Government will be requested to make changes to the appraisal report in order to meet FSA SOW requirements. An unacceptable appraisal will be considered as in default and at the discretion of the Government the micro purchase/purchase order may be terminated.

The USDA procurement procedures require that ALL vendors be paid using Electronic Funds Transfer (EFT) system. The Debt Collection Improvement Act (DCIA) of 1996 requires that federal payments of invoices for goods and services received to be paid by EFT. Therefore, each vendor must be registered in the System for Award Management (SAM) that is available at **www.sam.gov**. The vendor will be required to update the SAM data annually. FSA cannot update a vendor's information in SAM. For guidance on updating the SAM please see the help links on the SAM web site.

FSA will only be able to process the invoice when the appraisal is determined acceptable and the appraiser is properly registered in SAM. If vendor updates the appraisal report as required for acceptance a new invoice will be submitted.

Late Delivery Penalty Fee or Cancellation of Assignment

Communication with FSA regarding timely delivery of appraisal report is important. If the vendor is unable to deliver the appraisal report by the due date the vendor should request an extension in writing prior to the delivery date or late fees may be assessed. Late Fees will not be assessed if the vendor has received written authorization from the APOC or the CO for an extension prior to the delivery date.

If the vendor does not deliver the appraisal report or an electronic version by the authorized due date, the contract is in default and FSA retains the right to cancel the micro purchase/purchase order with notice to the vendor and/or may access late fees.--*

Farm Real Estate SOW (Continued)

17. Exhibit 5

17.1 Subject Property or Comparable Sale Reporting Requirements

17.1.1 Water Rights

If there are water rights associated with the property the appraisal will discuss water rights under a separate subsection under the description of the property. The water rights section will identify the following as applicable:

- Number of acres of the water right as primary and supplementary
- Permit number
- Certificate number
- Priority date
- Source of water and location of all points of diversion for each permit or certificate
- Water availability, reliability and quality; any detrimental aspects such as salt, nitrates, etc.
- Delivery system; type, location, source of power, etc.
- Assessments or delivery costs (i.e. estimated electrical cost, district assessments, etc.)
- Provide a map documenting water right area, points of diversion with the property boundary illustrated
- Documentation of the Certificate of Water Right or Permit, Well Record or Log, Final Proof of Survey and any assessments.

Note: Any SOW for farm and ranch type real estate property shall have certain subparagraphs and/or clauses. The subparagraphs or clauses are identified as follows:

1/- means that the specific clause and/or subparagraph clause are included

2/- means that the subparagraph heading is to be included.

3/- means that the subparagraph heading and the whole subparagraph, including all subparagraphs in the section, are to be included.

A word version of this exhibit may be downloaded from the appraisal SharePoint web site at

--<https://usdagcc.sharepoint.com/sites/FSA-POAD-AB>.--

Click on “Micropurchase Info” tab. Word version of this exhibit will be under the Shared Documents section of the page.

The word document for this exhibit may be modified and be used to provide a copy of the SOW to a vendor.

***--Simplified Non-Farm Real Estate SOW**

Background

The Farm Service Agency (FSA), an agency of the U. S. Department of Agriculture (USDA), makes and services loans secured by real estate. FSA needs appraisal reports to complete various direct loan making and loan servicing actions. This Statement of Work (SOW) addresses FSA's requirements for 1 to 2-unit residential property types and/or vacant non-agricultural residential land property type appraisals.

Objective and Work Requirements

FSA intends for the Vendor to perform a real estate appraisal and to provide appraisal reports in a PDF version to FSA by the specified date. Timely delivery of the appraisal report is critical to the success of FSA's meeting its mission and providing loan assistance to farmers. All appraisals must meet current USPAP's standards as of the effective date of the appraisal.

Scope

The purpose of this SOW is for FSA to obtain a market value as defined in 12 CFR 34.42 (f). The appraisal shall be completed in accordance with USPAP and any other appraisal assignment conditions provided by FSA.

Period of Performance

Typically, the period of performance is 30 calendar days from the date of the Engagement Letter or the Purchase Order unless otherwise defined. The appraiser should realistically estimate the timeframe to complete the appraisal assignment. The appraisal report must be received by the requesting office described in the engagement letter and/or work order. A request for an extension of the delivery date must include the reason for the extension and the timeframe that the appraisal report will be completed. Requests for an extension can be submitted via e-mail to the Appraisal Point of Contact (APOC) or the Contracting Officer (CO), if a purchase order was issued, as described in the work order. Written authorization for the extension or modification will be an e-mail response from the Agency.

Exceptions to Work Requirements

Any exceptions to the assignment conditions must be submitted in writing to the APOC or the CO. The APOC or the CO will respond to the request in writing.--*

*--Simplified Non-Farm Real Estate SOW (Continued)

FSA's Appraisal Requirements

Item	Information Element	FSA Appraisal Requirement Content Description
1	Client	The Client will be the Farm Service Agency (FSA) as designated on the appraisal order or Letter of Engagement (LOE). Appraisal must be ordered by a financial institution.
2	Intended User(s)	The Intended User(s) will be the FSA and others as listed by the Client on the appraisal order or LOE. Do not include the borrower or property owner as an Intended User.
3	Intended Use	Loan making or servicing as set forth in the LOE.
4	Appraisal	FSA appraisals must be reported under the appraisal report option.
5	Purpose	Purpose is to develop an opinion of market value.
6	Market Value	Definition and source of "Market Value" to be used in FSA appraisals is 12 CFR 34.42 (f)
7	Hypothetical Conditions & Extraordinary Assumptions	State all extraordinary assumptions and hypothetical conditions and that their use might have affected the assignment results and obtain prior written approval before including any additional extraordinary assumptions or hypothetical conditions not already called for in the LOE.
8	Estate Appraised	Fee simple estate subject to any actual or assumed (client specified) interests that are reflected in the valuation
9	Scope of Work	State the research and analyses conducted in the appraisal report. It is the appraiser's responsibility to insure the appraisal's scope of work is adequate to develop credible assignment results. Physical inspections of both the Subject property and Comparable Sales are required unless written exception by the APOC is given.
10	Subject Property	Identify and summarize the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including its physical, legal, and economic attributes along with any known easements, restrictions, encumbrances, leases, reservations, covenants, etc. Include the following subject property information: <ul style="list-style-type: none"> • Subject photos: Front, rear, side and street scene • Tax map/plat/survey outlining the properties boundaries • FEMA Flood Map; Location map.
11	Highest and Best Use (HBU)	Summarize and support the rationale for the subject property as vacant and as improved. Land and improvements must be valued with the "consistent use" theory.

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*--Simplified Non-Farm Real Estate SOW (Continued)

FSA's Appraisal Requirements (Continued)

Item	Information Element	FSA Appraisal Requirement Content Description
12	Comparable Sale Data and Analysis	<p>Sales selected for direct comparison to the subject should have similar physical and economic characteristics; highest and best use; meet the definition of market value. In addition, the appraisal should also:</p> <ul style="list-style-type: none"> • not include the subject pending sale in the sales grid as a comparable sale • market analysis should be the basis of adjustments and not rules of thumb • include roadside photos of the comparable sales • appraisers must have access to necessary and appropriate residential data and verification sources for the subject property and its location • subject pending sale shall not be used as a comparable sale.
13	Reporting Requirements	<p>The appraisal report's content should be sufficient in detail and adequately address the subject's physical, legal and economic characteristics which impact on its valuation and that supports a credible opinion of value. The appraisal report option must be used in reporting the assignment results and the following forms by property type used:</p> <ul style="list-style-type: none"> • For the valuation of 1 to 2- unit residences, the vendor should use Fannie Mae Form 1004/Freddie Mac Form 70, "Uniform Residential Appraisal Report," • For the valuation of manufactured single-family properties, the vendor should use Fannie Mae Form 1004C/Freddie Mac Form 70B, "Manufactured Home Appraisal Report, • For the valuation of individual condominium units, the vendor should use Fannie Mae Form 2055/Freddie Mac Form 2055, • For the valuation of vacant/ unimproved residential land in which the land's HBU is for 1 to 4 unit residential units, the vendor may use either the "Land Appraisal Report" or the Uniform Agricultural Appraisal Report (UAAR) to complete the property's valuations.

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*--Simplified Non-Farm Real Estate SOW (Continued)

FSA's Appraisal Requirements (Continued)

Item	Information Element	FSA Appraisal Requirement Content Description
14	Location Map	Location map shall easily locate subject and sales.
15	Value Approaches	<p>All three approaches to value should be considered and used when necessary for credible assignment results. When a particular valuation approach is not developed, the appraisal report must explain why the excluded approach was not necessary for credible results.</p> <p>Summarize the information analyzed, the appraisal methods and techniques employed, and reasoning that supports the analyses, opinions, and conclusions for the valuation approaches developed.</p>
16	Sales Comparison Approach	A minimum of three (3) comparable sales (not listings) are required for direct comparison while additional sales are customarily when the sales exhibit a wide ranges of unadjusted unit values.
17	Cost Approach	State the source of replacement cost data and the basis for residential lot values. Comments relating to the basis for depreciation estimates shall be provided too. Its credibility depends on the accuracy of RCN estimates, depreciation estimates, and site values. Appraisals solely relying upon this approach are not acceptable.
18	Income Approach	The income approach may not be appropriate if the subject's market area consists of mostly owner-occupied properties. When there is a rental market in the subject's market area and the income approach is completed, the report should include the supporting comparable rental and sales data, and the calculations used to determine the gross rent multiplier. Please note: Appraisals that solely rely on the income approach as an indicator of market value are not acceptable.
19	Reconciliation	Reconcile the quality and quantity of data within the approaches used and reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion

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***--Simplified Non-Farm Real Estate SOW (Continued)**

Agency Statement of Work Contact Information

The following FSA employee(s) are the authorized agency official that is the APOC or the CO to assist the vendor on acquisition process, the SOW terms and requirements and can provide information to an appraiser that would like to be added to the FSA Appraiser Vendor registry.

Name:

Address:

Phone:

FAX:

Acceptance Criteria

Delivery of the appraisal report will include a properly executed invoice. Invoice for payment will be processed when the appraisal is determined acceptable by FSA. An acceptable product will include:

1. Appraisal report must be delivered by the completion date stated on the engagement letter and/or work order (plus any extension of time granted by FSA)
2. Appraisal report is completed in accordance with current USPAP requirements and meets the work requirements of this SOW that are applicable and any other requirements for a specific property which will be found in the engagement letter and/or work order for each appraisal order.
3. An administrative appraisal review or a technical appraisal review accepts the appraisal report by FSA. If the administrative appraisal review indicates that the appraisal report may not be acceptable, FSA will request a technical appraisal review. If the FSA Review Appraiser requires additional information to support the adjustments, explanation of the process, or SOW requirements must be met, the invoice approval and payment of the appraisal fee will be held until the appraisal is found acceptable to FSA.

The request for additional information will provide a specific timeframe for the information to be delivered and the criteria for the updated material to be added to the appraisal report. Typically, the timeframe to update the appraisal is 7 calendar days or as specified by the request letter. If the appraiser determines that a completed appraisal report will need to be reissued the contract appraiser will need to have approval from the APOC or the CO.

The appraisal report must be delivered by the completion date stated on the engagement letter or work order or as provided by an extension granted by FSA.--*

***--Simplified Non-Farm Real Estate SOW (Continued)**

Invoicing

Invoice Information

A properly executed invoice for payment will be submitted to the APOC or the CO as directed in the engagement letter or work order. The invoice will include the appraiser's name, address, invoice number, DUNS number, name of the applicant/borrower as identified in the engagement letter or work order, county/borough/parish/city name that the appraisal was completed in and the amount.

Invoice Approval

The invoice will be processed for payment when the appraisal is determined acceptable by FSA. If the appraisal is not acceptable the appraisal fee will be held until the appraisal is found to be acceptable to FSA.

Final Payment

Federal Acquisition Regulations provide the U.S. Government 10 business days from receipt date of the appraisal to determine if the appraisal is acceptable. The invoice will be processed for payment within 30 calendar days or less from the date the appraisal was accepted. The appraiser will be notified in writing if the appraisal is unacceptable and at the discretion of the Government will be requested to make changes to the appraisal report in order to meet FSA SOW requirements. An unacceptable appraisal will be considered as in default and at the discretion of the Government the micro purchase/purchase order may be terminated.

The USDA procurement procedures require that ALL vendors be paid using Electronic Funds Transfer (EFT) system. The Debt Collection Improvement Act (DCIA) of 1996 requires that federal payments of invoices for goods and services received to be paid by EFT. Therefore, each vendor must be registered in the System for Award Management (SAM) that is available at **www.sam.gov**. The vendor will be required to update the SAM data annually. FSA cannot update a vendor's information in SAM. For guidance on updating the SAM please see the help links on the SAM web site.

FSA will only be able to process the invoice when the appraisal is determined acceptable and the appraiser is properly registered in SAM. If vendor updates the appraisal report as required for acceptance a new invoice will be submitted.

Late Delivery Penalty Fee or Cancellation of Assignment

Communication with FSA regarding timely delivery of appraisal report is important. If the vendor is unable to deliver the appraisal report by the due date the vendor should request an extension in writing prior to the delivery date or late fees may be assessed. Late fees will not be assessed if the vendor has received written authorization from the APOC or the CO for an extension prior to the delivery date. If the vendor does not deliver the appraisal report or an electronic version by the authorized due date, the contract is in default and FSA retains the right to cancel the micro purchase/purchase order with notice to the vendor and/or may access late fees.--*

Chattel Appraisal – SOW

14 Exhibit 2

14.1 Agency Statement of Work Contact Information

The following FSA employee(s) are the authorized agency official that is the APOC to assist the vendor on acquisition process, the SOW terms and requirements and can provide information to an appraiser that would like to be added to the FSA Appraiser Vendor registry.

Name:

Address:

Phone:

FAX:

E-mail Address:

Note: Any SOW for personal property shall have certain subparagraphs and/or clauses. The subparagraphs or clauses are identified as follows:

1/- means that the specific clause and/or subparagraph clause are included

2/ - means that the subparagraph heading is to be included.

3/ - means that the subparagraph heading and the whole subparagraph, including all subparagraphs in the section, are to be included.

A word version of this exhibit may be downloaded from the appraisal SharePoint web site at

--<https://usdagcc.sharepoint.com/sites/FSA-POAD-AB>.

Click on “Micropurchase Info” tab. Word version of this exhibit will be under the Shared Documents section of the page.

The word document for this exhibit may be modified and be used to provide a copy of the SOW to a vendor.

Appraisal * * * Engagement Letter

The following sample may be used as an appraisal engagement letter.

*--

(Letterhead)	(Current DATE)
Dear (name of appraiser)	
Your quote of \$ (Amount) is acceptable and you have agreed to complete an appraisal(s) of the following property(ies) 911 address(es) and short legal(s) located in (County(ies)). The Farm Service Agency (FSA) applicant is (name of applicant).	
You have agreed to deliver the appraisal report(s) by (Deliver By Date) to FSA. This is your authorization to provide an appraisal to FSA as described. Your Appraisal Point of Contact (APOC) will be <u>Appraisal Point of Contact, Name, Phone Number, Email</u> .	
This also authorizes you to contact the owner or applicant and have access to the subject property. You must contact the property owner and/or applicant or authorized representative to provide them the opportunity to accompany you on the property inspection. If you cannot reach this individual, contact an FSA representative for consultation before you inspect the property.	
Additionally, this is your authorization to obtain certain information from FSA that may assist you in completing the FSA appraisal assignment. You should provide a copy of this letter to the FSA County Office(s) when requesting information from FSA. The information that the FSA County Office can provide you is limited to the subject property and comparable sales that will be used in the appraisal process. You are contractually bound by the same requirements of information confidentiality as are Government employees and as further described in the Statement of Work (SOW).	
FSA County Offices are directed by the State Office to release the necessary information to appraisers working for FSA that are completing an appraisal assignment. As a State (Certified General) appraiser, providing an appraisal to FSA, you can request certain information from FSA regarding ARC/PLC contract acres, payment yields, agricultural use acres and cropland acres (Common Land Unit (CLU) acres), digital imagery, Conservation Reserve Program (CRP) contract acres, highly erodible land delineations and wetland classifications.	
Since FSA is your client, FSA may provide more specific information. Any information provided by FSA on CRP payments per contract, per acre basis or ARC/PLC commodity yield per acre basis is <u>confidential</u> and is protected in accordance with Uniform Standards of Professional Appraisal Practices (USPAP) confidentiality ethics rule and shall not be available to the general public. This information can only be retained in your work file. FSA program information may be reported only on total payment and acre basis and in generic terms in the appraisal report.	

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Appraisal * * * Engagement Letter (Continued)

If the FSA County Office does not provide the requested information to you in a timely manner, notify the APOC immediately for assistance.

In the acceptance to complete this appraisal assignment, you agree to perform services for FSA in accordance with the applicable SOW, other requirements, conditions and terms as described in the Appraisal Order.

Key USPAP information and reporting requirements are as follows.

- The subject property is listed above.
- The **client** will be Farm Service Agency.
- The **intended users** will be Farm Service Agency and Big Ag Bank.
- The **purpose** is to provide an opinion of market value.
- The **intended use** of this appraisal is for Loan Servicing - SAA (from List). Provide the reference when identified intended use requires them (this is for Shared Appreciation Agreement Recapture, partial release, or foreclosure).
- The Appraisal Condition is list. Provide additional and applicable comment.
- The property rights to be appraised are list. Provide additional and applicable comment.
- Any applicable "extraordinary assumptions" or "hypothetical conditions" must be clearly disclosed and agreed upon with the APOC prior to their use.

The Work Order provides additional detail to perform the appraisal.

If any of the information and instructions are different than discussed, or if the inspection of the subject reveals information that conflicts or is significantly different than what was provided, contact the APOC immediately.

A PDF electronic copy is the preferred method of appraisal report delivery. Send by e-mail to Ordering Official and APOC, e-mail address provided by the Work Order. If a PDF electronic copy is not available, discuss delivery requirements with the APOC.

If there are questions or additional information is needed, contact the ordering official or APOC.

Sincerely,
APOC

***--Applicant/Borrower Notification of Appraisal**

Following is an example of the applicant/borrower notification of an appraisal letter.--*

Date

Owner's Name

Address

City, State, Zip Code

RE: Appraisal Request – Introduction of Vendor

This letter introduces _____, who has been awarded a work order for providing the Farm Service Agency (FSA) an appraisal. The appraisal is prepared for the sole use and specific needs of FSA. The vendor will be contacting you in the near future to make arrangements to inspect your property and gather information needed for the appraisal.

The vendor may receive and record information necessary for reviewing and completing the appraisal. The vendor is contractually bound by the same requirements of information confidentiality as are Government employees. We ask you to cooperate with the appraiser, show your property and provide the information needed to perform the appraisal.

If you believe that this trust has been violated or that the vendor is not performing as an FSA employee would, please contact your local FSA office at:
If you have questions, please contact <authorized agency official> at <office phone number>.

Sincerely,

Authorized Agency Official Signature

CC: Farm Loan Manager, FSA, County
Applicant

***--Appraisal Award Log**

The following is an example of the appraisal award log.--*

Vendor Award Log Contracted Appraisal for FY _____														
Appraiser Name	County	Date Award	Amount	Applicant/Borrower	PAC Code	Budget Object Code	Estimated Delivery Date	Actual Delivery Date	Date Invoice Received	Date Admin. Review Requested	Date Admin. Review Completed	Appraisal Accepted (Y/N)	Date Vendor Paid	Comments

