

FSA HANDBOOK

Direct and Counter-Cyclical Payments

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For State and County Offices

SHORT REFERENCE

2-DCP

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

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Farm Service Agency
Washington, DC 20250

**Direct and Counter-Cyclical Payments
2-DCP**

Amendment 16

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reason for Amendment

Paragraph 96.5 has been amended to provide that payment authorization requests will be submitted through a SharePoint web site.

Page Control Chart		
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Part 1 Basic Information

1 Handbook Purpose, Related Handbooks, and Sources of Authority

A Handbook Purpose

Instructions for issuing all DCP payments are provided in this handbook. This includes direct and counter-cyclical payments.

B Related Handbooks

The following FSA handbooks are related to DCP payments.

Note: See Exhibit 5 to locate the handbook needed for different types of payments.

Handbook	Related Topic
1-APP	Appeals.
1-CM	Common provisions relating to signature requirements, power of attorney, and maintaining the name and address file.
2-CM	Constitution of farms.
3-CM	Procedure to maintain farm, tract, and crop data through maintenance.
2-CP	Acreage determination.
4-CP	Payment reductions and violations.
6-CP	Highly erodible land and wetland conservation provisions.
7-CP	Equitable relief.
1-DCP	Administering DCP.
1-FI	Issuing CCC-184's.
3-FI	Depositing remittances.
6-FI	Accounting payment process.
58-FI	Claims and withholdings.
61-FI	Handling prompt payment interest penalties.
62-FI	Reporting data to IRS.
63-FI	Assignments and joint payees.
--64-FI	Establishing and reporting claims on the automated claims system.--
67-FI	Establishing and reporting debts in CRS.
3-IC	DD review responsibilities.
2-INFO	Information available to the public.
1-PL	Payment limitations.
2-PL	Subsidiary files.

1 Handbook Purpose, Related Handbooks, and Sources of Authority (Continued)

C Sources of Authority

Authority for DCP is mandated by the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171).

2-9 (Reserved)

Part 2 Preparation for Issuing Payments

10 Payment Procedure

A Introduction

The automated processing system uses many different files when going through the payment process. For the payment to be calculated correctly, each file must be updated correctly.

B Obtaining Payment Processing Data

This table shows where the system obtains the data elements to calculate payments for a farm, crop, and producer.

File Name	Provides
DCP Worksheet	payment acres and direct or counter-cyclical payment yields
Producer Share	crop shares and payment request flags
Producer Eligibility	<ul style="list-style-type: none"> • permitted share • cropland factor • eligibility code
Name and Address	<ul style="list-style-type: none"> • name and address • refuse payment indicator • claim indicator • receivable indicator • other agency indicator • assigned payment indicator • joint payee indicator • nonresident alien indicator • resident alien indicator • bankruptcy indicator • deceased indicator • missing indicator • incompetent indicator

10 Payment Procedure (Continued)

B Obtaining Payment Processing Data (Continued)

File Name	Provides
Payment Limitation	payment limitation amounts for producers and members of joint operations
Joint Operation	members' shares for partnerships and joint ventures
Entity	<ul style="list-style-type: none"> • permitted share for the producer • AGI share for the producer or member
AGI	AGI for producers and members of joint operations (applicable starting in 2003)
Combined Entity	members of combined entities
FAV	<ul style="list-style-type: none"> • FAV reduction acres • FAV planting violation amount • FAV reporting violation amount •*--maintenance default reduction amount <p>Note: For 2004 and subsequent years, maintenance default reduction amounts will not be reduced from CC payments.--*</p>
Program Parameter	<ul style="list-style-type: none"> • advance and final crop payment rate • advance and final payment dates

11 Manual Calculations for DCP Payments

A Introduction

This paragraph provides the steps for calculating DCP payments manually.

Note: County Offices are **not authorized** to issue manual checks. These steps are provided to assist County Offices with verification of payment amounts on CCC-184's or direct deposits.

B Calculating DCP Payments Manually

The same manual payment calculations method applies to both direct and counter-cyclical payments.

The following table provides the method to calculate advance or final direct or counter-cyclical payments for the farm, producer, and crop. The data elements applied to each step are for a single crop. The payment calculated for each crop and producer must be added together to arrive at the payment total for the farm.

Note: Not all steps will be used in the calculation process because of producers having unique farming situations.

Step	Calculation
1	Payment acres, minus
2	FAV reduction acres, times
3	Direct or counter-cyclical payment yield, as applicable, times
4	Producer share, times
5	Member share if payment is being calculated for a joint operation, times Notes: This will be 1.000 if payment is not to a joint operation Joint operation payments are computed at the member level and added together to determine the total joint operation payment. See paragraph 40.
6	*--Permitted/AGI share, times Note: AGI share effective starting 2003.--*
7	Cropland factor for the producer, times
8	Cropland factor for the member, times
9	Advance or final payment rate for the crop, as applicable, minus
10	Prior payments, minus
11	FAV violation reductions (starting 2003), minus
12	Payment limitation reduction amount
13	Round result to whole dollars

12 Prerequisites for Issuing Payments

A Introduction

Actions must be completed before issuing payment to ensure that the producer or entity is eligible for payment.

B Actions Completed Before Issuing Payments

*--The following contains the actions that must be completed before issuing DCP payments. COC, CED, or designee shall ensure each action is completed.

Step	Action
1	CCC-770 DCP has been completed for approved contracts.
2	CCC-770 Eligibility has been completed for approved contracts.
3	Overpayments have been: <ul style="list-style-type: none"> • computed for all programs for the current year and any applicable prior years • transferred to CRS or had corrective action taken to resolve any overpayment listed in error • established in CRS according to 67-FI for all outstanding debts for nonautomated programs.
4	Ensure that the Financial Services System has been updated to reflect assignment and joint payment information for all CCC-36's and CCC-37's that have been received.
5	For those counties not having DCP payment reductions, ensure that the DCP Payment Reduction File has been created according to 4-CP. Note: This step does not need to be completed until compliance and FAV software becomes available for the crop year. Software for the 2007 crop year should be available early summer.

--*

13 (Reserved)

14 Applying Payment Limitation

A Rule

An effective payment limitation must be maintained for each individual and entity. This payment limitation must not be exceeded. The system will control payment limitation for DCP payments. The payment limitation amounts for DCP are as follows:

- Direct Payments - \$40,000
- Direct Payments Peanuts - \$40,000
- Counter-cyclical Payments - \$65,000
- Counter-cyclical Payments Peanuts - \$65,000.

B What Is Charged Against the Limitations

The following are charged against the payment limitations for DCP payments:

- *--planting FAV violation reductions--*
- for 2002 final direct payments only, 2002 PFC payments.

14 Applying Payment Limitation (Continued)

C Calculating the Effective Payment Limitation

This table provides the calculation for effective payment limitation for an individual or entity.

Step	Action
1	Determine the effective payment limitation by multiplying: <ul style="list-style-type: none"> • either of the following: <ul style="list-style-type: none"> • \$40,000, if the payment is a direct payment • \$65,000, if the payment is a counter-cyclical payment, times • entity’s permitted/AGI share, times • producer’s or member’s percent of cropland factor.
2	Round the result to whole dollars.
3	To determine the effective payment limitation for peanuts, if applicable, repeat steps 1 and 2 with the peanut payment limitation.

D When Payment Limitation Is Reached

When the sum of payments on the PPH file is equal to or exceeds the payment limitation of the producer, the Nonpayment Register will display the message, “Producer has Reached Payment Limitation”.

--Note: FSN will be printed as “9999999”.--

E Warning

It is possible to pay a producer over the payment limitation, if payments are being processed on more than 1 terminal.

15 Multi-County Producers

A Introduction

Payments issued to a multi-county producer shall be limited to the amount allocated to each County Office for counties in which the producer has farming interests. The payment process will limit payments to the payment limitation in the multi-county producer file. See 2-PL.

Note: New multi-county producers may print on the Nonpayment Register with the message, “Payment Limitation Allocated to Zero”, within the timeframe for completing the upload/download process for updating payment limitation.

B Accessing Multi-County Files

The control county can access multi-county files to look at a producer’s effective limitation or to update a limitation according to this table.

Step	Menu	Action
1	FAX250	ENTER “3” or “4”, “Application Processing”, and PRESS “Enter”.
2	FAX09002	Enter the appropriate county and PRESS “Enter”.
3	FAX07001	ENTER “9”, “Common Provisions”, and PRESS “Enter”.
4	MA0000	ENTER “4”, “Subsidiary Files Maintenance”, and PRESS “Enter”.
5	MAD000	ENTER “3”, “Multiple County Producers”, and PRESS “Enter”.
6	MAD200	ENTER “4”, “Update Effective Payment Limitation”, and PRESS “Enter”. Note: See 2-PL to update limitation.

16 **Determining Payment Eligibility**

A Introduction

The DCP payment process reads the eligibility and multi-county files to determine whether a producer is eligible to be paid. If the producer is ineligible to be paid, the individual or entity will be placed on the nonpayment register with the appropriate message. The eligibility *--determinations must be updated before the producer can be paid.

B Determining Flags for Advance Direct Payments

This table shows the eligibility determinations and values required for advance payments.

Note: The following table applies to advance direct payments only.

Eligibility Field	Eligible Flags	Ineligible Flags	Flags Requiring Other Determinations
AD-1026	Y, F	N, A	
Actively Engaged	Y, B	N, S	M, blank
Person Determination	Y, P		blank
6-CP	Y	N	B
Controlled Substance - FSA	Y	N	
AGI	Y	N	

--*

16 Determining Payment Eligibility (Continued)

C Determining Flags for Final Direct and All CC Payments

*--This table to shows the eligibility determinations and values required for final direct and all CC payments.

Eligibility Field	Eligible Flags	Ineligible Flags	Flags Requiring Other Determinations
AD-1026	Y	N, A, F	
Actively Engaged	Y	N, S	B, M, blank
Person Determination	Y	P	blank
6-CP	Y	N	B
Controlled Substance - FSA	Y	N	
AGI	Y	N	

--*

D “B” Flag in “6-CP” Field

When a “B” flag is present in the “6-CP” field, the software will look at the HELC flag in the farm producer file to determine whether this farm is eligible for payment. Eligible payment flags are either:

- “Y”
 - “C”.
- ***

Note: An “N” flag is ineligible.

E “M” Flag in “Actively Engaged” Field

An “M” flag in the “actively engaged” field will only be considered an eligible flag for payment purposes if the producer or entity with the “M” flag is a member of a joint operation. All other occurrences of this flag for payment purposes will be considered an ineligible flag, but should not cause problems because no payments should be due for the ID number.

Note: A stockholder should not be paid.

16 **Determining Payment Eligibility (Continued)**

* * *

F Deleted Records

The DCP payment process reads:

- all active records
- deleted records for the prior year (current year minus 1)
- deleted * * * county records in which current year on Report MABDIG and the year of payment are equal, except for members of joint operations.

G AGI

The DCP payment process will read the AGI software to determine AGI eligibility. This will *--be for FY 2003 and future years. An individual or entity exceeding the \$2.5 million AGI will be ineligible for a payment. See 1-PL and 3-PL for policy and software for AGI.--*

17 Advance Direct and Counter-cyclical Payments

A Introduction

Advance payments are authorized for direct and counter-cyclical payments. The producer may elect an advance payment at the time CCC-509 is completed.

B Requesting Advance Payments

Producers may request an advance **direct** payment to be issued in any month starting December 1, of the FY in which they are earned. Producers will not receive an advance payment if an advance month is not specified.

Producers may request 2 advance **counter-cyclical** payments, to be issued in October and February of the next FY after the crop year.

Note: County Offices shall update the producer’s CCC-509 according to 1-DCP with the producer’s choice.

*--Use the following table to determine when an advance DCP payment can be elected.

Payment	Dates for Requesting 1st Advance	Amount of Advance	Dates for Requesting 2nd Advance	Amount of Advance
Direct	Date sign-up begins through September 30 th of FY earned	50 percent of final payment rate		
Counter-cyclical	Date sign-up begins through October 31 st of next FY after crop year	35 percent of the difference in the target price and the actual market price	Date sign-up begins through date final payment rate becomes effective	70 percent of the difference in the target price and the actual market price

--*

17 Advance Direct and Counter-cyclical Payments

C Issuing Advance Direct and Counter-cyclical Payments

Advance direct and counter-cyclical payments may be issued to producers who have an approved DCP contract for payment and meet the eligibility requirements in subparagraphs 16 B and C.

Note: Advance direct payments will not be issued for FY 2002.

Payment	Issue Dates for 1st Advance Payment	Issue Dates for 2nd Advance Payment
Direct	Month selected by producer through September 30 th of FY earned	
Counter-cyclical	October date 1 st advance payment rate becomes available through October 31 st of next FY after crop year	February date 2 nd advance payment rate becomes available through date final payment rate becomes available

17 Advance Direct and Counter-cyclical Payments (Continued)**D Advance Direct Payment Rates**

See subparagraph 21 B for advance direct payment rates.

E Advance Payments of Less Than \$10

If the producer has elected to receive an advance payment, payment processes will:

- issue advance payments that round to at least \$1
- not issue advance payments of less than \$1.

All payables that round to at least \$1 will be processed and sent to the Accounting system. The Accounting software combines all payables for the farm and producer and one CCC-184 is generated. In most cases, the combined CCC-184 is greater than \$10.

Note: Even though EFT payments are not combined, all payables that round to at least \$1 are processed.

F Prompt Payment Due Dates

According to the Prompt Payment Act, a prompt payment interest penalty applies if a direct or counter-cyclical payment is not issued in a timely manner. See 61-FI for additional information on handling prompt payment interest penalties.

G Prompt Payment Exceptions

An interest penalty payment does not apply if the:

- payment is the subject of an ongoing judicial action, including when a payee has filed for bankruptcy
- payee fails to provide the necessary documentation
- payee does not comply with the terms of any contract
- payee does not meet necessary program requirements.

18 Final Direct Payments**A Issuing Final Payments**

Final payments can be issued starting:

- FY 2002, October 2002
- FY 2003 and subsequent years, October 1 of the applicable year.

* * *

B Offsetting 2002 PFC Payments

2002 final direct payments will be offset by payments earned for 2002 PFC. 2002 PFC payments that offset the 2002 final direct payment will count against the producer's \$40,000 payment limitation. See paragraph 351.

C Final Payments of Less Than \$10

The payment processes will:

- issue final payments that round to at least \$1
- not issue final payments of less than \$1.

All payables that round to at least \$1 will be processed and sent to the Accounting system. The Accounting software combines all payables for the farm and producer and one CCC-184 is generated. In most cases, the combined CCC-184 is greater than \$10.

Note: Even though EFT payments are not combined, all payables that round to at least \$1 are processed.

18 Final Direct Payments (Continued)

D Prompt Payment Due Dates

According to the Prompt Payment Act, a prompt payment interest penalty applies if a final payment is not issued in a timely manner. See 61-FI for additional information about handling prompt payment interest penalties.

Reminder: All required eligibility documentation and contract signatures must be received in the County Office by the applicable deadline for the producer to be eligible for a final payment.

E Prompt Payment Exceptions

An interest penalty payment does not apply if the:

- payment is the subject of an ongoing judicial action, including when a payee has filed for bankruptcy
- payee fails to provide the necessary documentation
- payee does not comply with the terms of any contract
- payee does not meet necessary program requirements.

19 (Withdrawn--Amend. 3)

20 Final Counter-Cyclical Payments

A Issuing Final Payments

Final counter-cyclical payments will be issued according to the following.

Month	Crops
July	Wheat, Barley, and Oats
September	* * * Peanuts
October	Corn, Cotton, Grain Sorghum, and Soybeans
--February	Rice--

Note: Final payments will be issued as close to the final issuance month as possible. Final payments cannot be issued for any crop until the close of the marketing year for that crop nationwide. Therefore, State and County Offices shall not provide a specific payment date to producers.

B Payment Rates

Final counter-cyclical payment rates are calculated based on the market prices. See subparagraph 21 C for payment rates.

C Final Payments of Less Than \$10

The payment processes will:

- issue final payments that round to at least \$1
- not issue final payments of less than \$1.

With the implementation of combined counter-cyclical payments, all payables that round to at least \$1 will be processed and sent to the Accounting system. The Accounting software combines all payables for the farm and producer and one CCC-184 is generated. In most cases, the combined CCC-184 is greater than \$10.

Note: Even though EFT payments are not combined, all payables that round to at least \$1 are processed.

20 Final Counter-Cyclical Payments (Continued)

D Prompt Payment Due Dates

According to the Prompt Payment Act, a prompt payment interest penalty applies if a final payment is not issued in a timely manner. See 61-FI for additional information about handling prompt payment interest penalties.

Reminder: All required eligibility documentation and contract signatures must be received in the County Office by the applicable deadline for the producer to be eligible for a final payment.

E Prompt Payment Exceptions

An interest penalty payment does not apply if the:

- payment is the subject of an ongoing judicial action, including when a payee has filed for bankruptcy
- payee fails to provide the necessary documentation
- payee does not comply with the terms of any contract
- payee does not meet necessary program requirements.

***--F Maintenance Default Reductions**

For 2004 and subsequent years, maintenance default reduction amounts will not be--* reduced from CC payments.

21 Determining Advance and Final DCP Payment Rates

A Introduction

Advance payments are authorized for both direct and counter-cyclical payments.

Advance direct payments will be 50 percent of the payment rate and will be issued in the month of the producer's choice beginning on December 1 of the calendar year before the crop is harvested.

Direct payment percentages are as follows:

- 2002, final payment rate
- 2003 through 2005, advance payments issued at 50 percent of the payment rate
- 2006, advance payment issued at:
 - 50 percent of the payment rate if CCC-509 signature date was February 8, 2006, or before
 - 40 percent of the payment rate if CCC-509 signature date was after February 8, 2006
- 2007, advance payments issued at 22 percent of the payment rate
- *--2008, advance payment issued at 22 percent of the payment rate.--*

Advance CC payments are authorized to be issued twice for crop years 2002 through 2006. The first advance will be issued in October of FY following the crop year and will be made in the amount of 35 percent of the estimated marketing difference. The second advance will be made in February of FY following the crop year and will be in the amount of 70 percent of the estimated marketing difference.

--For crop years 2007 and 2008, there will only be 1 advance payment which will be issued-- after completing the first 6 months of the marketing year for the covered commodity.

21 Determining Advance and Final DCP Payment Rates (Continued)

B Direct Payment Rates

The Farm Security and Rural Investment Act of 2002 establishes the following payment rates for each of the eligible commodities. The rate each crop will receive is:

- barley, \$0.24 per bushel
- corn, \$0.28 per bushel
- grain sorghum, \$0.35 per bushel
- oats, \$0.024 per bushel
- wheat, \$0.52 per bushel
- flax, \$0.448 per bushel
- peanuts, \$0.018 per pound (starting in 2003)
- rice, \$0.0235 per pound
- soybeans, \$0.44 per bushel
- upland cotton, \$0.0667 per pound
- other oilseeds, \$0.0080 per pound.

Note: See Exhibit 12 for direct payment rates.

--C CC Crop Target Prices--

The Farm Security and Rural Investment Act of 2002 establishes the following target prices for each of the eligible commodities. CC payments may be issued at the Secretary’s discretion when the market price is lower than the target price. The payment rate will be the difference between the market rate and the target price. * * * The target price for each crop is as follows.

	Year	Wheat (bu.)	Corn (bu.)	Grain Sorghum (bu.)	Barley (bu.)	Oats (bu.)	Upland Cotton (lbs.)	Rice (Hdw.)	Soybeans (bu.)	Other Oilseeds (lbs.)	Peanuts (lbs.)
Target Price	2002	3.86	2.60	2.54	2.21	1.40	0.7240	10.50	5.80	0.0980	0.2475
	2003	3.86	2.60	2.54	2.21	1.40	0.7240	10.50	5.80	0.0980	0.2475
	2004	3.92	2.63	2.57	2.24	1.44	0.7240	10.50	5.80	0.1010	0.2455
	2005	3.92	2.63	2.57	2.24	1.44	0.7240	10.50	5.80	0.1010	0.2455
	2006	3.92	2.63	2.57	2.24	1.44	0.7240	10.50	5.80	0.1010	0.2455
	2007	3.92	2.63	2.57	2.24	1.44	0.7240	10.50	5.80	0.1010	0.2455
	-- 2008	3.92	2.63	2.57	2.24	1.44	0.7125	10.50	5.80	0.1010	0.2475--

Note: See Exhibit 13 for CC payment rates.

22-35 (Reserved)

Part 3 Special Cases

36 Refusing Payment

A

Introduction In some cases, an eligible producer cannot or does not want to receive a payment. These producers shall be flagged in the computer to ensure that a DCP payment is not issued.

B

Action When Producer Refuses Payment Complete the action in this table for a producer who is:

- refusing a DCP payment
- on a farm approved for enrollment, but the producer is not approved for payment.

Note: See 1-DCP for reasons to set refuse payment flag.

Step	Action
1	<p>For 2002 processing, if the producer is refusing the DCP payment only, complete the following:</p> <ul style="list-style-type: none"> • change the payment refusal flag to “Y” in the name and address file • issue the 2002 DCP payment • change to payment refusal flag to “N” in the name and address file. <p>Note: If the producer has refused all program payments, verify the name and address file has the payment refusal flag set to “Y”. No further action is necessary.</p>
2	<p>*--For 2003 and future years processing, if the producer is refusing the DCP payment only, change the “Refused Payment” flag to “Y” in the CCC-509 software.--*</p>
3	<p>Change the payment refusal flag to “Y” in the name and address file if all program payments are refused for any DCP processing year.</p>

Continued on the next page

36 Refusing Payment (Continued)

C

Issuing Payment

If the producer has refused payment, do not issue a payment to the producer until the producer requests the payment in writing or COC approves payment. Do not issue the payment to anyone else.

D

**Deadline for
Requesting
Payment**

The producer has until September 30 of FY to request the payment.

Note: If the producer refused payment, and in a later FY decides to accept payment, prior FY payments shall not be made.

37 Payment to Producer With Cropland Factor

A

Introduction When a producer is actively engaged in farming on only part of the cropland in the farming operation, FSA shall determine the percentage of the farming operation that is eligible for payment. This is based on the percent of cropland.

B

Determining Factor To determine the cropland factor, complete CCC-504. See 1-PL for instructions.

C

Entering Factor Enter the cropland factor in the eligibility file before issuing any payments. After the factor is entered, the system will automatically reduce the payment.

38 Changes to Farm Constitutions

A

Introduction Payment history is tied to the farm number, crop, and producer that received the DCP payment. Final DCP payments cannot be calculated accurately if the payment history does not match the farm, crop, or producer.

Policy in 2-CM and 3-CM provides that when advance DCP payments have been issued for an applicable FY, the farm structure and location shall remain the same for the remainder of that FY. Therefore, requests to transfer or reconstitute a farm after advance DCP payments are issued shall be effective for the next FY, except for tobacco farms.

Note: 2-CM provides that tract divisions may be processed at any time during the FY, but farm divisions are not permitted after advance payments are issued.

Exception: Farm transfers and reconstitutions can be completed if the producer voluntarily refunds the DCP payment.

Because of these policies, software will not be provided to:

- modify farm numbers on advance DCP payments
- record DCP payment amounts that were issued in another county.

Continued on the next page

38 Changes to Farm Constitutions (Continued)

B

**Request for
Farm**

Reconstitutions

According to 2-CM, farm reconstitutions:

- *--can be requested through August 1 of the applicable FY, if advance direct payments have not been issued
- shall be processed during the next FY, if advance direct payments have--* already been issued.

Note: Farm reconstitutions can be completed if the producer voluntarily refunds the direct payment.

C

**Request to
Transfer Farm to
Another County**

According to 3-CM:

- *--farm records cannot be transferred to another county if an advance direct payment has been issued
- requests to transfer farms to another county are effective for the next FY if an advance direct payment has been issued for the current FY.

Note: Farm transfers can be completed if the producer voluntarily refunds the advance direct payment.--*

39 (Reserved)

40 Payment to Joint Operations

A

Introduction

Joint ventures with permanent ID numbers and general partnerships must be handled differently than most entities.

Note: See Exhibit 16 for recording joint ventures.

Partnerships must have their own employer ID number, and general partnerships and joint ventures with their own ID numbers must be recorded in the joint operation subsidiary file according to 2-PL.

Do **not** make payments to individual members of general partnerships or joint ventures with a permanent ID number.

B

Computing Payments

The system computes and makes payments to joint operations according to this table.

Note: Payments are computed at the member level and added together for the joint operation total.

Step	Action the System Performs
1	<p>Computes each member's payment by multiplying payment acres times direct or counter-cyclical yield times payment rate times joint operation share times member permitted share.</p> <p>Note: The member's share will not have a payment computed for the joint operation if the AGI flag for the member is set to "N". AGI is applicable for 2003 and future years.</p>
2	Applies payment limitation.
3	Computes the joint operation net payment by totaling the net payments for all individual members.
4	Issues CCC-184 or EFT to the joint operation.

41, 42 (Reserved)

43 Provisions Regarding Typewritten Checks

**A
Typewritten
Checks**

County Offices **are not authorized** to issue typewritten checks.

When it is determined that a payment cannot be issued through the DCP payment process, County Offices shall review the nonpayment register to determine the reason the DCP payment cannot be issued

If a condition occurs that prevents the payment from being issued through the regular payment process:

- County Offices shall immediately contact the State Office to explain the circumstances surrounding the situation
- State Offices shall:
 - provide guidance on correcting the condition preventing the payment from being issued
 - contact PECD if additional guidance is needed.

Failure to follow the provisions of this paragraph regarding typewritten checks could result in disciplinary action.

44 Lost, Stolen, or Destroyed CCC-184's

A

Introduction

This paragraph provides instructions for handling lost, stolen, or destroyed DCP CCC-184's.

B

Recording Lost, Stolen, or Destroyed CCC-184's

CCC-184's shall not be canceled through the DCP payment process. Cancel and reissue payments through the Accounting Application, cancel/issue substitute option according to 1-FI.

Complete the action in this table to record and reissue, if necessary, a lost, stolen, or destroyed CCC-184.

Step	Action
1	Follow 1-FI, Part 7 to record a lost, stolen, or destroyed CCC-184 in the system.
2	KC-ITSDO will notify the County Office of the status of CCC-184. See 1-FI for more information.
3	If needed, cancel and reissue substitute CCC-184 according to 1-FI.

45-95 (Reserved)

Part 4 Payment Processing**Section 1 Issuing Payments****96 Overview****A Background**

The automated payment system is designed to ensure that payments are correct and that all procedures have been followed. The payment process computes and issues payments for all eligible producers.

B Eligible Producers

Eligible producers include the following:

- individuals
- corporations
- partnerships and joint ventures
- trusts and estates
- Native Americans whose payments are handled by BIA
- combined entities
- multi-county producers
- producers with assignments, claims, joint payees, and receivables
- *--producers with FAV acre-per-acre reductions--*
- producer with FAV violations, starting with 2003 processing
- dead, missing, and incompetent persons.

--96.5DCP Payment Processing for Crop Years 2002 Through 2008--**A Direct and CC Payments for 2002 Through 2008**

Direct and CC processing for crop years 2002 through 2008 has been disabled.

If an overpayment has occurred for a 2002 through 2008 direct or CC payment, then enter the overpayment according to 64-FI.

*--To receive authorization to issue a 2002 through 2008 direct or CC payment, State Offices shall submit a request through a SharePoint web site according to subparagraph B. The SharePoint web site will allow users to:

- submit documentation for the original request
- submit additional documentation, when applicable
- track the status of the request
- obtain a copy of the authorization or denial
- notify the applicable National Office program specialist of the submitted request.

Note: Although the authorization or denial will be updated to the case documentation on the SharePoint web site by the applicable National Office program specialist, the official response will also be e-mailed to SED and the requesting State Office specialist.

B SharePoint Web Site and User Guide

To provide documentation for payment authorization requests and to learn how to use the SharePoint web site, the following actions shall be completed:

- access the SharePoint web site at
https://fsa.sc.egov.usda.gov/mgr/dafp/PECD/payment_auth/default.aspx
- in the Shared Documents section, CLICK “**SharePoint User Guide**”.

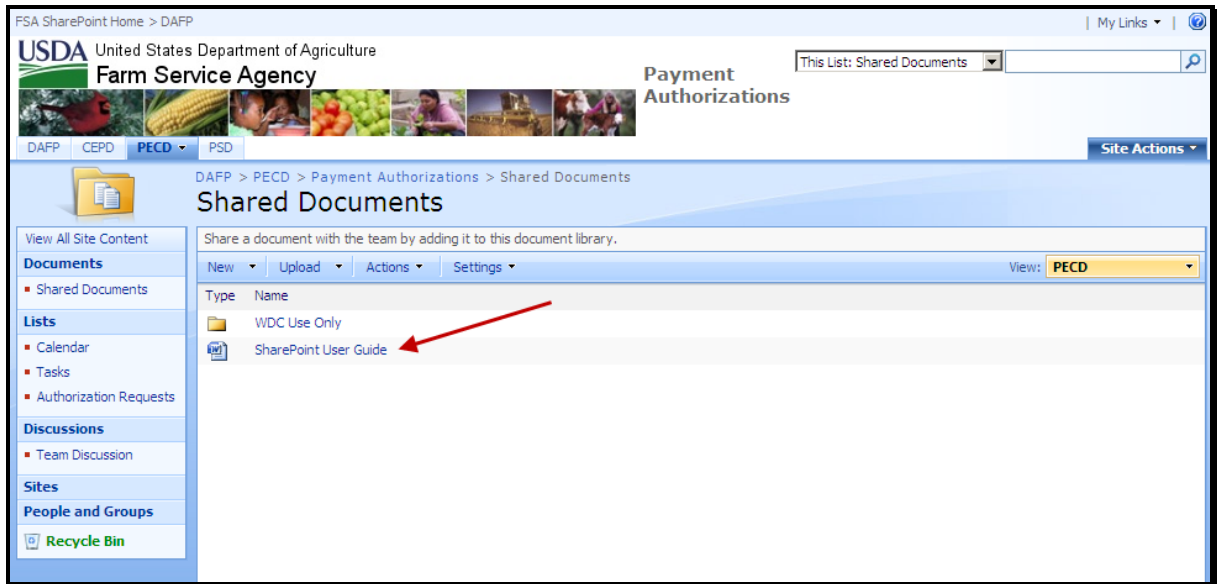
Important: The SharePoint User Guide will provide instructions on using the web site effectively, as well as areas to be updated and areas designated for National Office use only.

It is advised that **all** applicable State Office specialists review the SharePoint User Guide to ensure that the SharePoint web site is used as effectively as possible.--*

***--96.5DCP Payment Processing for Crop Years 2002 Through 2008 (Continued)**

B SharePoint Web Site and User Guide (Continued)

The following is an example of the SharePoint User Guide location.



C Authorized Users

The SharePoint web site can only be accessed by State Office specialists who are responsible for programs administered by PECD.

To request access or provide State Office specialist personnel changes for DCP, the name of the specialist must be submitted in an e-mail to **all** of the following

- **tina.nemec@wdc.usda.gov**
- **lenior.simmon@wdc.usda.gov**
- **tracey.smith@wdc.usda.gov.--***

--96.5DCP Payment Processing for Crop Years 2002 Through 2008 (Continued)*D Documentation for 2002-2008 DCP Payment Request**

The following documentation will be required for 2002-2008 DCP payments that are due the producer, but were not issued before payment software was disabled:

- an explanation of why the 2002-2008 DCP payment was **not** issued before payment software was disabled, including the payment amount being requested
- CCC-509
- CCC-509E
- DCP direct or CC PPH print for the producer from all counties the producer has an interest in

Notes: If the request is to issue a 2002 direct payment, then a 2002 PFC PPH must also be submitted.

To print PPH, select the applicable menu options from the enabled DCP direct or CC payment reports menus.

Reminder: If the producer is a:

- joint operation, then a PPH must be submitted for **each** member of the joint operation
- combined producer, then a PPH must be submitted for all counties the combined producer has an interest in, if applicable.
- current MABDIG for each:
 - producer
 - affected member of the joint operation
- Farm Payment Reduction Report printed from the Compliance Menu
- other documentation about the case, such as a NAD decision, FSA-321's, or receivable report, if applicable.--*

***--96.5DCP Payment Processing for Crop Years 2002 Through 2008 (Continued)**

E State Office Responsibility

State Office shall:

- review the case file before submission to the National Office to ensure that the:
 - amount being requested has been earned by the producer
 - case file contains all required documentation as provided in subparagraph D before submitting the request
- upload payment authorization documentation through the SharePoint web site provided in subparagraph B
- be aware that authorization or denial will be:
 - e-mailed to SED and the requesting State Office specialist
 - available through the SharePoint web site
- ensure that State Office specialist personnel changes are provided to the National Office according to subparagraph C.--*

97 Accessing Payment Processing

A Introduction

Direct or CC payment processing may be accessed from Menu FAX250.

B Accessing Regular Payment Processing

Access direct or CC payment processing from Menu FAX250, according to the following table.

Step	Menu or Screen	Action
1	FAX250	ENTER “3” or “4”, “Application Processing”, as applicable.
2	FAX09002	Enter the appropriate county on the Office Selection Menu, if applicable.
3	FAX07001	ENTER “11”, “PFC/DCP/Compliance”.
4	M00000	ENTER “10”, “Direct and Counter-cyclical Program”.
5	MZYEAR	Enter the appropriate program year.
6	MZA000	ENTER either of the following: <ul style="list-style-type: none"> • “2”, “Direct Payment Processing”, to access the direct payment options • “3”, “Counter-cyclical Payment Processing”, to access counter-cyclical payment options.
7	MZAAP0 - Direct MZABP0 - CC	ENTER “1”, “Payment Processing”.
8	MZAAP1 - Direct MZABP1 - CC	ENTER “1”, “Issue Payments”.

98 Selecting Farms for Payment

A

Accessing Screen Complete the action in this table to access Screen MZAAPA01 for direct or
***--MZAAPA01** Screen MZABPA01 for counter-cyclical payments.
or MZABPA01

Step	Action
1	After accessing payment processing according to paragraph 97, Screen MZAAPRT2 for direct or Screen MZABPRT2 for counter-cyclical will be displayed. Enter the applicable printer ID for printing the payment reports.
2	<p>Screen MZAAPA01 for direct or Screen MZABPA01 for counter-cyclical will be displayed.--*</p> <p>This screen offers different ways to select a farm to make payment. Payments can be processed as follows:</p> <ul style="list-style-type: none"> • farm number for 1 farm • a range of farms • all farms • randomly selected farms. <p>Note: If the farm number is not known, enter the producer ID number or name to display a list *--of farms for the selection entered.--*</p>

B

Screen
MZAAPA01 or
MZABPA01

This is an example of Screen MZAAPA01. Screen MZABPA01 is identical.

```

DCP Payments                205-HARTLEY                SELECTION    MZAAPA01
2002 Farm Selection Screen   Version: AE51    09-17-2002 16:35 Term E0
-----
Enter Farm Number:
  (Enter Beginning Farm Number for a range)
  (Enter 'ALL' For All Farms)

Ending Farm Number:

OR   Randomly Select Farms
      (Enter 'X' To Select Farms)

OR   Last Name
      (Enter Partial Name To Do An Inquiry)

OR   Last 4 Positions Of ID Number

Enter=Continue  Cmd3=Previous Menu
    
```

Continued on the next page

98 Selecting Farms for Payment (Continued)

C
Farm Selection
From Screen
MZAAPA01 or
MZABPA01

Access the payment process by farm number according to this table.

Selection	Action	Result
Process 1 farm.	Enter the farm number in “beginning farm number” field.	Farm will be processed if the CCC-509 is approved.
Process a range of farms.	Enter beginning farm number and ending farm number in “ending farm number” field.	All farms within that range with an approved CCC-509 will be processed.
Process all farms.	ENTER “ALL” in the “beginning farm number” field.	All farms in sequential order with an approved CCC-509 will be processed.
Process selected farms.	ENTER “X” in “randomly select farms” field. On Screen MZAAPD01 for direct and Screen MZABPD01 for counter-cyclical, enter the farm numbers to be processed.	All farms selected with an approved CCC-509 will be processed.

Continued on the next page

98 Selecting Farms for Payment (Continued)

D

Messages

This table lists messages that may display at the bottom of the screen when accessing a farm or a range of farms.

IF...	AND the following message displays...	THEN...
a single farm is selected	“No worksheet and/or shares on file”	the farm does not have an approved CCC-509 or is invalid.
	“Option NOT valid at this time”	
	“Farm Number NOT on file”	
a single farm or range of farms is selected	“Selected farm or range of farms conflicts with Workstation xx selection”	<ul style="list-style-type: none"> • the farm or range of farms is currently being used by another terminal • PRESS “Enter” to terminate the request.
	“Farm selected is being used in the worksheet and will not be processed for payment”	the farm or range of farms is currently being used in the CCC-509B process.
	“Payments are currently being processed -- Please select another range”	another year’s program payments or other program payments are being processed from another terminal.

E

Warning

Never cancel the payment process from the system console.

99 Batch Check and Printing Control

A

Accessing Menu
MZAAPN or
MZABPN

After all DCP payment records for the farm or farms that were selected have been processed and the payment amounts have been calculated, Menu MZAAPN for direct and Menu MZABPN for counter-cyclical will be displayed. Menu MZAAPN for direct and Menu MZABPN for counter-cyclical displays the number of work records:

- to be processed
- that have been processed
- remaining to be processed.

Note: The number of work records listed do **not** always match the number of CCC-184's to be printed or EFT's to be created.

Example: If the producer has an assignment and part of the payment will fulfill the assignment, it will print two CCC-184's, but it will show 1 record for processing.

B

Menu MZAAPN
or MZABPN

This is an example of Menu MZAAPN. Menu MZABPN is identical.

```

2002 Direct PAYMENTS                205 HARTLEY                ENTRY                MZAAPN
-----
Warning  Record count does not accurately reflect check
         count especially when 'A' or 'O' batches are processed.

         328 Check records to be processed
           0 Have been processed
         328 Records remain to be processed

Enter (Y)es to start or continue a Batch Print Processing.
Enter (N)o to suspend the Batch Print Processing.

Only one "Y" entry will be accepted. One "N" entry will suspend all batches.

         321 "B" (regular payments) work records to be processed
           2 "A" (assignments) work records to be processed
           5 "O" (claims/receivables) work records to be processed

                                         Enter-Continue
    
```

Continued on the next page

99 Batch Check and Printing Control (Continued)

C

Sorting Payable Records

The DCP payment process reads the name and address file for each producer with a payable that has been processed. How the payable is processed depends on the value of flags in the name and address file. This table provides a description of the following:

- payment batches used for DCP payment processing
- priority of which payment batch each payable is processed through based on the flag settings in the name and address file
- approximate number of payables that can be processed at a time.

Priority	Batch	Description	Number of Payables Processed in Each Batch
1	“O”nline	<p>Payables to producers that may require special processing because there is a “Y” in at least 1 of the following fields in the name and address file:</p> <ul style="list-style-type: none"> • receivable • claim • other agency claim • bankruptcy • deceased • missing • incompetent • nonresident alien • foreign producer. <p>Note: County Offices shall ensure that payments for producers in bankruptcy status are issued according to the Regional Attorney’s guidance.</p>	50 or less
2	“A”ssignment	Payables to producers that are flagged in the name and address file as having an assignment or joint payee form on file.	100 or less
3	“B”atch	Payables to producers that do not have any special circumstances like those payables processed through the “O” and “A” payment batches.	200 or less

Continued on the next page

99 Batch Check and Printing Control (Continued)

D

**Selecting Batches
*--to Process or
Suspend**

Payment batches may be selected for processing or suspended in several different ways.

- When a batch of payments is selected, that entire batch must be processed before selecting another batch to be processed.
- Batches may be selected in any order.
- After a batch of payments completes processing, the option to select that batch is no longer available.
- One “N” suspends all batches remaining to be processed.
- If a batch of payments is suspended after part of the payments in that batch has been processed, that batch must be completed before selecting another batch to be processed when option 4 is taken on Menu MZAAP1 for direct or--* Menu MZABP1 for counter-cyclical.

Continued on the next page

99 Batch Check and Printing Control (Continued)

E

Batch Print Capability

The system provides a batch print capability on Menu MZAAPN for direct and Menu MZABPN for counter-cyclical. This table lists the options available on Menu MZAAPN for direct and Menu MZABPN for counter-cyclical.

Selection	Action	Result
<p>*--Start processing for either of the following batch types:--*</p> <ul style="list-style-type: none"> • "B" • "A". 	<p>ENTER "Y" in the field before either of the following:</p> <ul style="list-style-type: none"> • "B" batch • "A" batch. 	<p>Screen APK00510 will be displayed to enter CCC-184 information. See 6-FI.</p>
<p>Start batch print processing on batch "O".</p>	<p>ENTER "Y" in the field before "O" batch.</p>	<p>Screen ABK10001 will be displayed. See 6-FI.</p> <p>Note: Screen ABK10001 requires the user to enter amounts on the claim, receivable, other agency claim, or nonresident alien. The amount of the setoff should be known before accessing this batch.</p>
<p>***</p>	<p>***</p>	
<p>Suspend batch print processing on 1 of the following batches:</p> <ul style="list-style-type: none"> • "B" • "A" • "O". 	<p>ENTER "N" in the field before 1 of the following:</p> <ul style="list-style-type: none"> • "B" batch • "A" batch • "O" batch. 	<p>Records are sent to the interim holding file where they remain until option 4, "Continue Check Batch Printing", on Menu MZAAP1 for direct or Menu MZABP1 for counter-cyclical is accessed.</p> <p>*--Note: These records must be processed--* before accessing any other payments on the terminal.</p>

100-110 (Reserved)

Section 2 Canceling Payables**111 Canceling DCP Payables**

A**Introduction**

This section provides instructions for canceling a payable.

B**When to Cancel Payables Through DCP Application**

DCP payables shall be canceled using the direct or counter-cyclical application software, as applicable, only when original direct or counter-cyclical payable amounts are incorrect and the following apply:

- CCC-184 **is available**
- direct deposit records **have not** been queued or transmitted.

Extra caution shall be observed when canceling payables to ensure that:

- correct payables are being canceled
- only payables for which CCC-184 is in the office or the direct deposit records have not been queued or transmitted to the producer's financial institution are being canceled
- payables are being canceled through the proper application.

Note: See subparagraph D for additional information on when the payable shall not be canceled through the DCP application.

Continued on the next page

111 Canceling DCP Payables (Continued)

C

When to Cancel Payables Through Accounting Application

In some situations, data in the Accounting application needs to be corrected and a substitute CCC-184 or direct deposit records (EFT) issued. Use the Accounting cancel/issue substitute option according to 1-FI when any of these situations apply:

- payee on an original CCC-184 or EFT is incorrect
- 1 or more CCC-184's in a printed batch need to be reprinted
- CCC-184 is lost, stolen, or destroyed
- CCC-184 is expired.

Note: If the computer-generated CCC-184 numbers on CCC-184's do not match preprinted CCC-184 numbers, see 1-FI, paragraph 233.

D

When Not to Cancel Payables Through DCP Application

Payables shall not be canceled from the DCP application when either of the following situations apply:

- CCC-184 is not available
- direct deposit record has been queued or transmitted.

Once the check has been issued to the producer or the direct deposit record queued or transmitted, an overpayment or underpayment situation applies if the payable was incorrect. County Offices shall take the necessary action to correct the situation that caused the payment to be issued in error, then:

- issue additional payment amounts if the producer was underpaid
 - compute and transfer the overpayment amount to CRS when overpayment processing is available.
-

Continued on the next page

111 Canceling DCP Payables (Continued)

E

Applications Used for Cancellations This table provides examples of when payables shall be canceled and which application shall be used for the cancellation.

Situation	Action	
Producer's CCC-509 share was entered in the system incorrectly. CCC-184 or EFT: <ul style="list-style-type: none"> • is generated for the incorrect amount • has not been issued to the producer. 	Cancel the payable through the DCP application. <ul style="list-style-type: none"> • Cancel all payables associated with CCC-184 or EFT. • Correct the situation that caused the payment to be issued incorrectly. • Reissue the payment through regular or special payment processing. 	
Producer's CCC-509 share was entered in the system incorrectly. CCC-184 or EFT: <ul style="list-style-type: none"> • is generated for the incorrect amount • has already been issued to the producer. 	Do not cancel the payable. Correct the situation that caused the payment to be calculated incorrectly.	
	IF the original CCC-184 or EFT resulted in the producer being...	THEN...
	underpaid	issue an additional payment to the producer.
overpaid	<ul style="list-style-type: none"> • compute an overpayment • transfer the overpayment to CRS • notify the producer according to 67-FI. 	

Continued on the next page

111 Canceling DCP Payables (Continued)

E
Applications
Used for
Cancellations
(Continued)

Situation	Action
CCC-184 was inadvertently made payable to CCC to satisfy a receivable, but should have been issued to the producer because the receivable has already been satisfied.	Issue a substitute CCC-184 using the Accounting cancel/issue substitute option according to 1-FI.
CCC-184 was lost, stolen, or destroyed and notification has been received from KC-ITSDO that CCC-184 has not been negotiated.	
CCC-184 has expired but the statute of limitations has not elapsed.	

112 Canceling Payables Through DCP Application

A

Introduction

The payment calculation process has been modified to restrict the number of payables that display on the payment cancellation selection screen. This:

- ensures that the correct payables are displayed for a producer
- reduces the number of erroneously canceled payables.

B

How to Cancel Payables

Follow the provisions of this table to cancel erroneous payments that have not been issued to the producer.

Reminder: Do not cancel the payable if:

- CCC-184 has been mailed to the producer
- EFT has been queued or transmitted to the producer’s financial institution.

Step	Action	Result	
1	<ul style="list-style-type: none"> • *--Access Menu MZAAP1 for direct payments or--* Menu MZABP1 for counter-cyclical according to subparagraph 97 B. • ENTER “2”, “Cancel Payable”. 	Informational Screen MZAAP007 for direct payments will be displayed. Informational Screen MZABP007 for counter-cyclical payments will be displayed.	
2	*--Screen MZAAP007 (for direct payments) or Screen--* MZABP007 (for counter-cyclical payments) provides a warning message that payments that have been mailed to the producer or transmitted to the producer’s financial institution shall not be canceled through this application.		
	IF the user wants to...	THEN, on Screen MZAAP007 for *--direct or Screen MZABP007--* for counter-cyclical...	
	continue with the payment cancellation	PRESS “Enter”.	Screen MZAAPRT2 for direct *--or Screen MZABPRT2 for counter-cyclical will be displayed.
	end processing	PRESS “Cmd7”.	Menu MZAAP1 for direct or--* Menu MZABP1 for counter-cyclical will be redisplayed.

Continued on the next page

112 Canceling Payables Through DCP Application (Continued)

B
How to Cancel
Payables
(Continued)

Step	Action	Result	
3	*--Screen MZAAPRT2 for direct payments or Screen MZABPRT2 for counter-cyclical payments allows the user to select where the payment calculation reports will be printed. <ul style="list-style-type: none"> • Enter the applicable printer ID. • PRESS “Enter”. 	Screen MZAAQB01 for direct or Screen MZABQB01 for counter-cyclical will be displayed.	
4	Screen MZAAQB01 for direct or Screen MZABQB01 for counter-cyclical requires the user to enter the specific data about the payment to be canceled.		
	IF the user wants to...	THEN, on Screen MZAAHA01 for direct or--* Screen MZABHA01 for counter-cyclical...	
	continue with the payment cancellation	<ul style="list-style-type: none"> • enter the following data: <ul style="list-style-type: none"> • farm number on which the payment was issued • producer’s last name or last 4 digits of the producer’s ID number • PRESS “Enter”. 	If there are active payments in the payment history file that match the criteria entered, Screen MZAAPS01 for direct *--or Screen MZABPS01 for counter-cyclical will be displayed.
	end processing without canceling a payable	PRESS “Cmd7”.	Menu MZAAP1 for direct or Menu--* MZABP1 for counter-cyclical will be redisplayed.

Continued on the next page

112 Canceling Payables Through DCP Application (Continued)

B
How to Cancel
Payables
(Continued)

Step	Action	Result
5	*--Screen MZAAPS01 for direct or Screen MZABPS01 for counter-cyclical displays the active payables in the payment history file that match the criteria entered on Screen MZAAHA01 for direct or Screen MZABHA01 for counter-cyclical.	
	IF the user wants to...	
	<p>THEN, on Screen MZAAPS01 for direct or Screen MZABPS01 for counter-cyclical...</p> <ul style="list-style-type: none"> • ENTER “X” next to each payable to be canceled <p>Note: Use the transaction statement to match the transaction numbers to the CCC-184 number.</p> <ul style="list-style-type: none"> • ENTER “Y” or “N” to the question, “Has the payment(s) been mailed or transmitted to the producer?” • PRESS “Enter”. <p>Warning: When “Enter” is pressed again, users will not have another opportunity to end processing without canceling the payable.</p> <p>Note: If there are more payables for the selected producer than can be displayed on the screen, the message “MORE PAYABLES” will be displayed. If payables associated with the same CCC-184 are displayed on 2 separate screens:</p> <ul style="list-style-type: none"> • select the payables to be canceled on the first screen • PRESS “Enter” and the next screen will be displayed allowing more selections. 	<p>A verification message will be displayed on Screen MZAAPS01 for direct or Screen--* MZABPS01 for counter-cyclical.</p> <p>Note: If the selections are:</p> <ul style="list-style-type: none"> • correct, PRESS “Enter” again and Screen ANK52010 will be displayed • not correct, PRESS “Cmd7” to end processing and initiate the cancellation from Menu MZAAP1 for direct and Menu MZABP1 for counter-cyclical.

Continued on the next page

112 Canceling Payables Through DCP Application (Continued)

B
How to Cancel
Payables
(Continued)

Step	Action		Result
5 (Cntd)	<p>IF the user wants to...</p> <p>cancel an EFT payment</p>	<p>THEN, on Screen MZAAPS01 *--for direct or Screen MZABPS01 for counter-cyclical...</p> <ul style="list-style-type: none"> • ENTER "X" next to EFT payable to be canceled <p>Note: Use the transaction statement to match the transaction numbers to the automated clearing house numbers.</p> <ul style="list-style-type: none"> • ENTER "Y" or "N" to the question, "Has the payment(s) been mailed or transmitted to the producer?" • PRESS "Enter". 	<p>A verification message will be displayed on Screen MZAAPS01 for direct or Screen--* MZABPS01 for counter-cyclical.</p> <p>Note: Do either of the following.</p> <ul style="list-style-type: none"> • If the selections are correct, PRESS "Enter" again. • Screen ANK52040 will be displayed confirming the payable has been deleted from the direct deposit pending file. PRESS "Enter" on Screen ABK53005 to print the producer transaction statement. • Screen ANK52020 will be displayed if the selected payable has already been transmitted to the producer's financial institution. Follow 6-FI to establish the receivable. • If the selections are not correct, PRESS "Cmd7" to end processing and initiate the cancellation from *--Menu MZAAP1 for direct or--* Menu MZABP1 for counter-cyclical.

Continued on the next page

112 Canceling Payables Through DCP Application (Continued)

B
How to Cancel
Payables
(Continued)

Step	Action		Result
5 (Cntd)	IF the user wants to...	THEN, on Screen MZAAPS01 *--for direct or Screen MZABPS01 for counter-cyclical...	
	locate additional payables for the selected farm and producer	use the roll up or roll down key to locate the payable to be canceled. Warning: Payables selected on previous screens will not be retained if the roll up or roll down key is used.	Screen MZAAPS01 for direct or Screen MZABPS01 for counter-cyclical will be redisplayed with the additional payables.
	end processing without canceling	PRESS "Cmd7".	Menu MZAAP1 for direct or Menu--* MZABP1 for counter-cyclical will be redisplayed.

Continued on the next page

112 Canceling Payables Through DCP Application (Continued)

B
How to Cancel
Payables
(Continued)

Step	Action		Result
6	Screen ANK52010 requires the user to specify whether or not CCC-184 is available. How this question is answered will determine whether receivables are or are not created. For fiscal tracking purposes, it is very important that this question be answered accurately.		
	IF CCC-184 is...	THEN, on Screen ANK52010...	
	available and has not been cashed by the producer	<ul style="list-style-type: none"> • ENTER “Y” to the question, “Is the check to be canceled available?” • PRESS “Enter”. 	<p>Screen:</p> <ul style="list-style-type: none"> • ANK53005 displays if all payables associated with the payment have been canceled • ABK52060 displays if 1 or more, but not all, payables associated with a combined CCC-184 were canceled. A replacement CCC-184 will be printed for the payables that were not canceled. <p>Follow 6-FI to complete the cancellation process.</p>
	not available	<ul style="list-style-type: none"> • ENTER “N” to the question, “Is the check to be canceled available?” • PRESS “Enter”. 	Screen ANK52020 will be displayed. Follow 6-FI to properly establish the receivable.

Continued on the next page

112 Canceling Payables Through DCP Application (Continued)

C

Using Screen MZAAQB01 or MZABQB01

Screen MZAAQB01 for direct and Screen MZABQB01 for counter-cyclical were developed to:

- restrict the number of payables displayed for selection
- reduce the number of erroneously canceled payables.

The following fields are displayed on Screen MZAAQB01 for direct and Screen MZABQB01 for counter-cyclical.

Field	Description	
Enter Farm Number	Farm number on which the payment to be canceled was issued.	
Enter Producer's Last Name	Enter either of the following for the payable to be canceled:	
Last 4 Digits of Producer ID Number	<ul style="list-style-type: none"> • producer's last name • last 4 digits of the producer's ID number. 	
Enter Payment Cycle	Payment cycle in which the payment was issued. Enter either of the following.	
	IF canceling a direct payment...	IF canceling a counter-cyclical payment...
	<ul style="list-style-type: none"> • "A", if the payment was issued in the advance payment cycle • "F", if the payment was issued in the final payment cycle. 	<ul style="list-style-type: none"> • "A1", if the payment was issued in the first advance payment cycle • *--"A2", if the payment was--* issued in the second advance payment cycle • "F", if the payment was issued in the final payment cycle.

Continued on the next page

112 Canceling Payables Through DCP Application (Continued)

C

Using Screen
MZAAQB01
--or--
MZABQB01
(Continued)

This is an example of Screen MZAAQB01. Screen MZABQB01 is identical for counter-cyclical.

```

Payments                205 HARTLEY                SELECTION      MZAAQB01
2002 Cancel Selection Screen      Version: AD26  10-25-2002 13:25 Term E0
-----
Enter Farm Number:           _____

Enter Producer's Last Name:  _____

OR

Last 4 Digits of
  Producer ID Number:       _____

Enter Payment Cycle:        -

Enter=Continue                Cmd3=Previous Menu
    
```

This table describes the:

- *--error messages that are displayed on Screen MZAAQB01 for direct or--*
Screen MZABQB01 for counter-cyclical
- corrective action that shall be taken.

Message	Reason for Message	Action
“No Active Payments Recorded for this Farm, Producer, and Cycle”	This message displays if there are no active payments in the payment history file for the specified farm, producer, and payment cycle.	<ul style="list-style-type: none"> • Verify that payments have been issued by printing PPH according to paragraph 311. • Re-enter the correct data.
“Must enter a Farm Number, Producer Name or ID and Payment Cycle.”	An entry has not been made in 1 of the required fields.	Ensure that an entry has been made for the farm, producer, and payment cycle.
“Invalid Farm Number”	The specified entry is not entered correctly.	Re-enter using the correct data.
“Producer ID Invalid”		
“Valid entries are “A” and “F”. Please re-enter.” (for direct payments)	Something other than “A” or “F” was entered in the “Enter Payment Cycle” field.	Re-enter using the correct payment cycle.
“Valid entries are “A1”, “A2” or “F”. Please re-enter.” (for counter-cyclical)	Something other than “A1”, “A2”, or “F” was entered in the “Enter Payment Cycle” field.	Re-enter using the correct payment cycle.

Continued on the next page

112 Canceling Payables Through DCP Application (Continued)

D

**Using Screen
MZAAPS01
*--or
MZABPS01**

Screen MZAAPS01 for direct or Screen MZABPS01 for counter-cyclical is the payable selection screen that allows the user to select the payable or payables to be canceled. Active payables in the payment history file that match the criteria entered on Screen MZAAPS01 for direct or Screen MZABPS01 for counter-cyclical will be displayed in crop code order.

The following payable information displays on Screen MZAAPS01 for direct or Screen MZABPS01 for counter-cyclical:--*

- farm number
 - producer’s name
 - crop name
 - amount of the payable issued to the producer
 - payment issue date.
- * * *

--The following fields require an entry on Screen MZAAPS01 for direct or--
Screen MZABPS01 for counter-cyclical.

Field	Description	Entry
SEL	Allows the user to select each payable to be canceled.	ENTER “X” next to the each payable to be canceled.
Has the payment(s) been mailed or transmitted to the producer?		Enter either of the following: <ul style="list-style-type: none"> • “Y”, which indicates that the payment has been issued to the producer <p>Note: An informational message will be displayed indicating that receivables may be created if the user presses “Enter” to continue. This is the last opportunity to exit without canceling. See subparagraph 111 D for procedure on when this process shall not be used.</p> <ul style="list-style-type: none"> • “N”, which indicates that the original payment is available in the County Office or that EFT has not been queued or transmitted. <p>Note: Answering this question will not affect whether receivables are created when the cancellation is complete.</p>

Continued on the next page

112 Canceling Payables Through DCP Application (Continued)

D
Using Screen
MZAAPS01
--or--
MZABPS01
(Continued)

This is an example of Screen MZAAPS01. Screen MZABPS01 is identical for counter-cyclical.

```

MZAAPS          205 HARTLEY          SELECT          MZAAPS01
2002 DCP Payments          Version: AE51 10-25-2002 13:40 TERM E0
-----
                SELECT PAYABLE FOR CANCELLATION

Enter an 'X' in the SEL column to select a payable for cancellation

Farm Number:      3      Producer Name:  ELMER JONES

SEL  Crop          Payable Amount      Issue Date      Trans. Number
-----
WHEAT          782          10-25-2002      E026100003
RICE          4854          10-25-2002      E026100006
SORGH          423          10-25-2002      E026100009

                END OF LIST
                Has the payment(s) been mailed or transmitted to the producer?

Enter=Continue  Cmd7=End  Roll=Page
    
```

This table describes the:

- error messages that are displayed on Screen MZAAPS01 for direct and Screen MZABPS01 for counter-cyclical
- corrective action that shall be taken.

Message	Reason for Message	Action
“Invalid Code, must be ‘X’ or blank. Please reenter.”	An invalid entry was entered for 1 of the payables.	To reselect, ENTER “X” next to the correct payable.
“No payments selected for processing.”	Screen MZAAPC01 for direct *--or Screen MZABPC01 for--* counter-cyclical will be displayed if the user pressed “Enter” without selecting a payable for cancellation.	
“Must Enter “Y” or “N”. Please reenter.”	The question, “Has the payment(s) been mailed or transmitted to the producer?”, was not answered.	To answer the question, ENTER “Y” or “N”.

Continued on the next page

112 Canceling Payables Through DCP Application (Continued)

D
Using Screen
MZAAPS01
--or--
MZABPS01
(Continued)

Message	Reason for Message	Action
"If Selection is correct, PRESS "Enter" to verify."	At least 1 payable has been selected for cancellation and required field entries have been entered.	Do either of the following: <ul style="list-style-type: none"> • if the selected payables are correct, PRESS "Enter" again to complete the cancellation • if the selected payables are not correct, PRESS "Cmd7" to end processing and initiate the cancellation from Menu MZAAP1 for direct *--or Menu MZABP1 for counter-cyclical.--* <p>Warning: After "Enter" is pressed, users will not have another opportunity to end processing without canceling the payable.</p>

113-117 (Reserved)

Section 3 (Reserved)

118-125 (Reserved)

Section 4 Reissuing DCP Payments**126 Overview**

A**Introduction**

Paragraph 127 specifies that County Offices shall use the Accounting cancel/issue substitute option according to 1-FI to reissue CCC-184's that:

- are reported as lost, stolen, or destroyed
- have expired.

In these cases:

- a new CCC-184 needs to be reissued because the original CCC-184 cannot or has not been negotiated
- the data on the DCP payment history file is correct and does not need to be canceled.

However, situations continue to arise where payments are canceled through the DCP payment cancellation process instead of issuing a substitute CCC-184 through the Accounting software as specified in:

- paragraph 127 for policy to handle lost, stolen, or destroyed CCC-184's
- paragraph 128 for procedure to issue a substitute CCC-184.

Continued on the next page

B**Options to
Reissue DCP
Payments**

This is to advise County Offices of when CCC-184's should be:

- reissued through the Accounting software
- canceled through the DCP payment process.

Because of the potential for errors of canceling CCC-184's for lost, stolen, destroyed, or expired CCC-184's from the DCP application, the following options are available on Menu MZAAP1 for direct and Menu MZABP1 for counter-cyclical to assist users to the correct process:

- option 3, "Reissue Lost, Stolen, or Destroyed Checks"
- option 4, "Reissue Expired Check".

When County Offices access these options, the accounting process to cancel CCC-184 and issue a substitute payment is accessed. Completing this process will result in the following:

- the original CCC-184 will be canceled
- a substitute CCC-184 will be issued
- the payable status on the DCP payment history file will not be affected.

Note: The options cannot be used if a substitute CCC-184 has already been issued. See 1-FI, Part 5.

127 Reissuing Lost, Stolen, or Destroyed CCC-184's

A**Prerequisites**

For CCC-184's that are reported as lost, stolen, or destroyed, a substitute CCC-184 cannot be issued to the producer until the County Office:

- receives verification from KC-ITSDO that CCC-184 has not been cashed
- obtains a statement from the payee certifying CCC-184 was not received.

Note: See 1-FI, Part 7 for policy provisions and additional requirements for handling lost, stolen, or destroyed CCC-184's.

B

**Payments That
Cannot Be
Reissued
Through
*--Option 3--***

DCP payments cannot be reissued using option 3 on Menu MZAAP1 for direct payments or Menu MZABP1 for counter-cyclical payments if any of the following apply:

- CCC-184 has been cashed by the producer

Note: In this case, the producer is either in an overpayment or underpayment situation. If the producer is:

- overpaid, County Offices shall process the overpayment when overpayment software becomes available
 - underpaid, County Offices shall follow Part 5 to issue the additional payment.
 - the payment was disbursed by EFT
 - if any of the payable data, except the payee's name, is incorrect **and** the producer has not cashed CCC-184. See paragraph 111.
-

Continued on the next page

127 Reissuing Lost, Stolen, or Destroyed CCC-184's (Continued)

C

Reissuing Lost, Stolen, or Destroyed CCC-184's

Upon notification from KC-ITSDO that the lost, stolen, or destroyed CCC-184 has not been paid, and after the payee states that CCC-184 was never received, County Offices shall:

- ensure that all the provisions of 1-FI, Part 7 have been met before issuing a substitute CCC-184
- follow the provisions of this table to issue a substitute CCC-184.

Note: The lost, stolen, or destroyed flag must be removed before the substitute CCC-184 can be issued. See 1-FI, subparagraph 295 A.

Step	Action	Result
1	<ul style="list-style-type: none"> • Access Menu MZAAP1 (direct payments) or Menu MZABP1 (counter-cyclical payments) according to subparagraph 126 B. • ENTER "3", "Reissue Lost, Stolen, or Destroyed Check". 	Screen ANK12210 will be displayed.
2	<p>Note: Screen ANK12210 allows the user to specify the check number of CCC-184 that needs to be canceled.</p> <ul style="list-style-type: none"> • Enter CCC-184 that has been lost, stolen, or destroyed in the "Cancellation Check Number" field. • PRESS "Enter". 	Screen ANK12221 will be displayed.
3	Follow 1-FI, paragraph 252 to complete the CCC-184 substitute payment process.	<p>Menu ANK040 will be displayed.</p> <p>Note: Even though the process was started in the DCP application, the process will end in the Accounting application.</p>

Continued on the next page

127 Reissuing Lost, Stolen, or Destroyed CCC-184's (Continued)

D Other Payments That Can Be Issued Through Option 5

Option 3, "Reissue Lost, Stolen, or Destroyed Checks", on Menu MZAAP1 can also be used in situations where the payee's name on CCC-184 is incorrect or needs to be changed. Following are examples.

Note: This option can only be used if CCC-184 has **not** been cashed.

Example	Situation	How to Reissue the Payment
1	<p>CCC-184 is issued payable to CCC because the producer had an outstanding receivable.</p> <p>After CCC-184 is processed, it is determined that the producer has repaid the receivable, so the payment should be issued to the producer.</p>	<p>In this case, everything is correct on the accounting and DCP payment history files, except the name of the payee on CCC-184.</p> <p>Because all of the payable data is correct, a substitute CCC-184 can be issued with the producer as the payee.</p>
2	<p>Producer A is on CCC-478 and CCC-184 is issued to the producer.</p> <p>The producer's spouse brings CCC-184 back to the County Office and informs them that Producer A is deceased. FSA-325 is filed so the payment can be issued to Producer A's spouse.</p>	<p>Again in this case, everything is correct on the accounting and DCP payment history files, except the name of the payee on CCC-184.</p> <p>Because all of the payable data is correct, a substitute CCC-184 can be issued with the producer as the payee.</p>

128 Reissuing Expired CCC-184's

A Prerequisites

1-FI, paragraph 304 includes:

- the definition of an expired CCC-184
- policy for handling expired CCC-184's.

--B Payments That Cannot Be Reissued Through Option 4--

DCP payments cannot be reissued using option 4 on Menu MZAAP1 if any of the following apply:

- CCC-184 has been cashed by the producer

Note: In this case, the producer is either in an overpayment or underpayment situation.
If the producer is:

- overpaid, County Offices shall process the overpayment when overpayment software becomes available
- underpaid, County Offices shall follow Part 5 to issue the additional payment.
- the payment was disbursed by EFT
- if any of the payable data, except the payee's name, is incorrect **and** the producer has not cashed CCC-184. See paragraph 111.

128 Reissuing Expired CCC-184's (Continued)

C

How to Reissue Expired CCC-184's

Upon presentation of an expired CCC-184, County Offices shall:

- ensure that the provisions of 1-FI, paragraph 304 have been met before issuing a substitute CCC-184
- follow the provisions of this table to issue a substitute CCC-184.

Note: County Offices shall not use this procedure to issue another substitute CCC-184 if a substitute CCC-184 has already been issued for the original expired CCC-184. See 1-FI, subparagraph 304 D.

Step	Action	Result
1	<ul style="list-style-type: none"> • Access Menu MZAAP1 (direct payments) or Menu MZABP1 (counter-cyclical payments) according to subparagraph 126 B. • ENTER "4", "Reissue Expired Check". 	Screen ANK12210 will be displayed.
2	<p>Note: Screen ANK12210 allows the user to specify the check number of CCC-184 that needs to be canceled.</p> <ul style="list-style-type: none"> • Enter CCC-184 that has expired in the "Cancellation Check Number" field • PRESS "Enter". 	Screen ANK12221 will be displayed.
3	Follow 1-FI, paragraph 252 to complete the CCC-184 substitute payment process.	<p>Menu ANK040 will be displayed.</p> <p>Note: Even though the process was started in the DCP application, the process will end in the Accounting application.</p>

129-139 (Reserved)

Part 5 Payment Registers

140 Nonpayment Register

A Exception Messages

This paragraph contains explanations of the exception messages that print on the Nonpayment Register. Use the following table to find the message and the corresponding page number where it can be found.

Message	Page
--“Contract Not Approved for Payment” (Applicable through 2004 only)--	5-4
“Producer Did Not Request an Advance Payment”	
“Producer Does Not Have A Certified FSA-578”	
“Payment Computed to Zero”	
“Producer Does Not Meet AGI Provisions”	
“Permitted/AGI Share for Producer is Invalid”	
“Producer Has Refused ALL Payments”	5-5
“Producer Has Refused Payment on FSN XXXXXXXX.”	
“Producer is a Federal Entity”	
“Permitted Share is Equal to Zero”	5-6
“Producer is a Joint Operation”	
“Producer has a Temporary ID Number.”	
“No Members for Joint Operation”	
“Prior Payment Exceeds Current Payment”	
“Payment Limitation Has Been Exceeded”	
“Producer Has Reached Payment Limitation”	
“Payment Limitation Allocated to Zero”	

140 Nonpayment Register (Continued)

A Exception Messages (Continued)

Message	Page
“Invalid Entity Type or Producer ID Type - Entity Type - XX - Producer ID Type - XX”	5-7
“Payment Calculated to Less Than \$1.00”	
“One or More Members of Joint Operation Have Been Rejected”	
“No Eligibility Record on File”	
“Producer is Not Recorded on Entity File”	
“No Eligibility Record on File for Joint Operation”	
“Actively Engaged Flag is Invalid”	
“Actively Engaged Flag for Joint Operation * * * is Invalid”	
“Actively Engaged Flag for Member * * * is Invalid”	
“Person Determination Flag is Invalid”	5-8
“Person Determination Flag for Joint Operation * * * is Invalid”	
“Person Determination Flag for Member * * * is Invalid”	
“AD-1026 Flag is Invalid”	
“AD-1026 Flag for Joint Operation * * * is Invalid”	
“AD-1026 Flag for Member * * * is Invalid”	
“6-CP Flag is Invalid”	
“6-CP Flag for Joint Operation * * * is Invalid”	
“6-CP Flag for Member * * * is Invalid”	
“Controlled Substance Flag is Invalid”	5-9
“Controlled Substance Flag for Joint Operation * * * is Invalid”	

140 Nonpayment Register (Continued)

A Exception Messages (Continued)

Message	Page
“Controlled Substance Flag for Member * * * is Invalid”	5-9
“HELIC Flag * * * is ‘N’”	
“Joint Operation HELIC Flag * * * is ‘N’”	
“Multiple Invalid Eligibility Flags”	
“CCC-509 Has Been Cancelled.”	5-10
“Producer Withdrew CCC-509.”	
“CCC-509 Has FAV Violation.”	5-11
“CCC-509 Has HELIC/WC Violation.”	
“CCC-509 Has Noxious Weed Violation.”	
*--“CCC-509 Was Entered in Error” (For 2005 and subsequent year)	5-12
“Acreage Reporting Violation” (For 2005 and subsequent year)	5-12
“Farm Has Been Reconstituted” (For 2005 and subsequent year)	5-12
“Farm Has Been Out Transferred” (For 2005 and subsequent year)	5-13
“Farm Records Have Been Modified” (For 2005 and subsequent year)--*	5-13

B Nonpayment Register

The Nonpayment Register shows all payments that the system is unable to calculate a payment for at this time and gives an exception message explaining why. A negative register will not print. The entries are sequenced on the register by:

- farm
- producer
- crop.

County Offices shall:

- review the register
- take corrective action, if necessary.

Reminder: If a payment is reduced because of payment limitation, the reduction will be printed on the pending payment register. However, if the **entire** payment is not issued because of payment limitation, that payment will be listed on the nonpayment register.

140 Nonpayment Register (Continued)

C Messages

Resolve exception messages printed on the Nonpayment Register according to this table.

Message	Reason for Message	County Office Action
<p>“Contract Not Approved for Payment”</p> <p>*--Note: Applicable through 2004 only.--*</p>	<p>CCC-509 does not have an approval date entered in the system.</p>	<p>Do 1 of the following:</p> <ul style="list-style-type: none"> • if CCC-509 was approved, enter the approval date in the system • if CCC-509 has not been approved, do nothing.
<p>“Producer Did Not Request an Advance Payment”</p>	<p>A “Y” has not been entered on the worksheet to issue advance payments</p>	<p>Update CCC-509 worksheet if the producer wants an advance payment.</p>
<p>“Producer Does Not Have A Certified FSA-578”</p> <p>Note: The message applies to final direct and all counter-cyclical payments.</p>	<p>All cropland acres have not been certified.</p>	<p>Update cropland acres through the compliance process as applicable.</p>
<p>“Payment Computed to Zero”</p>	<p>Payment was computed to zero.</p>	<p>No action necessary.</p>
<p>“Producer Does Not Meet AGI Provisions”</p>	<p>Individual or entity is flagged as not meeting AGI provisions.</p>	<p>Determine whether the flag is correct.</p>
<p>“Permitted/AGI Share for Producer is Invalid”</p>	<p>Entity information may not be correct in the entity file.</p>	<p>Access and update entity information starting with the lowest member according to 2-PL.</p> <p>Note: Entity information does not need to be changed, just re-updated in the system.</p>

140 Nonpayment Register (Continued)

C Messages (Continued)

Message	Reason for Message	County Office Action
"Producer has Refused ALL Payments"	Refuse payment flag in the name and address file equals "Y".	If the producer: <ul style="list-style-type: none"> • requested no payments to be made, disregard the message • requests that payments be issued, change the refuse payment flag to "N" in the name and address file.
"Producer Has Refused Payment on FSN XXXXXXXX."	Refuse payment flag is "Y" on the DCP worksheet.	If the producer: <ul style="list-style-type: none"> • wants to receive a payment, change the refuse payment flag on the worksheet to "N" • does not want to receive a payment, disregard the message.
"Producer is a Federal Entity"	Entity type in the name and address file is "08".	Do not issue payment to a Federal entity.
--"Permitted Share is Equal to Zero"	Permitted share for producer is zero.	Determine whether the permitted share is correct.--

140 Nonpayment Register (Continued)

C Messages (Continued)

Message	Reason for Message	County Office Action
“Producer is a Joint Operation”	The entity displayed has an entity code of “02” or “03”.	
“Producer has a Temporary ID Number.” Payments cannot be issued.	Producer is not using a SSN or Tax ID number	Contact the producer for a valid ID number.
“No Members for Joint Operation”	Joint operation has not been entered in the joint operation entity file.	Enter joint operation in the joint operation entity file.
“Prior Payment Exceeds Current Payment”	Payments issued exceed the total payments the producer may earn.	Determine whether producer is overpaid. If the producer is overpaid, collect the overpayment.
“Payment Limitation Has Been Exceeded”	Producer has exceeded the effective payment limitation.	Determine whether producer is overpaid. If the producer is overpaid, collect the overpayment.
“Producer Has Reached Payment Limitation” *--Note: When this message is printed on the nonpayment register, FSN will print as “9999999”.--*	Producer has reached the effective payment limitation.	No action is necessary. The producer cannot receive any additional payments.
“Payment Limitation Allocated to Zero”	Payment limitation allocated to zero in payment limitation file.	Do either of the following: <ul style="list-style-type: none"> • contact the control county regarding payment limitation • if the control county has updated payment limitation, wait for download.

140 Nonpayment Register (Continued)

C Messages (Continued)

Message	Reason for Message	County Office Action
“Invalid Entity Type or Producer ID Type - Entity Type - XX - Producer ID Type - XX”	The entity type and producer ID type are not eligible for payment.	Correct the entity type, producer ID type, or both if they are not loaded correctly in the name and address file.
“Payment Calculated to Less Than \$1.00”	Result of calculated payment is less than \$1.	No action is necessary.
“One or More Members of the Joint Operation Have Been Rejected”	One or more members of the joint operation are not eligible to be paid.	Determine why member is not eligible to be paid by looking at member message.
“No Eligibility Record on File”		
Producer is Not Recorded on Entity File”	The producer is not recorded on the entity file.	Enter the producer in the entity file.
“No Eligibility Record on File for Joint Operation”		
“Actively Engaged Flag is Invalid”	Actively engaged flag is invalid. See paragraph 16 to *--determine valid values.	Determine whether the value is correct.--*
“Actively Engaged Flag for Joint Operation * * * is Invalid”		
“Actively Engaged Flag for Member * * * is Invalid”		

140 Nonpayment Register (Continued)

C Messages (Continued)

*--

Message	Reason for Message	County Office Action
“Person Determination is Invalid”	Person determination is invalid. See paragraph 16 to determine valid values.	Determine whether the eligibility values are correct.
“Person Determination for Joint Operation is Invalid”		
“Person Determination for Member is Invalid”		
“AD-1026 is Invalid”	AD-1026 flag is invalid. See paragraph 16 to determine valid values.	Determine whether the eligibility values are correct.
“AD-1026 for Joint Operation is Invalid”		
“AD-1026 for Member is Invalid”		
“6-CP Flag is Invalid”	6-CP flag in specified county is invalid. See paragraph 16 to determine valid flags.	Determine whether the eligibility values are correct.
“6-CP Flag for Joint Operations is Invalid”		
“6-CP Flag for Member is Invalid”		

--*

140 Nonpayment Register (Continued)

C Messages (Continued)

*--

Message	Reason for Message	County Office Action
“Controlled Substance Flag is Invalid”	Controlled substance is invalid.	Determine whether the flag is correct.
“Controlled Substance Flag for Joint Operation is Invalid”		
“Controlled Substance Flag for Member is Invalid”		
“No HELC”	HELC flag in the farm producer file for the farm being paid is no.	Determine whether the flag is correct.
“Joint Operation HELC is ‘N’”		
“Multiple Invalid Eligibility”	The individual or entity being paid has multiple invalid eligibility determinations.	Print Report MABDIG to determine the invalid eligibility value.

--*

140 Nonpayment Register (Continued)

C Messages (Continued)

Message	Reason for Message	County Office Action
<p>“CCC-509 Has Been Cancelled.”</p> <p>*--Note: Applicable for 2003 and 2004 only.--*</p>	<p>Cancellation reason code of 1, 2, 3, or 8 has been entered for CCC-509.</p>	<p>Do 1 of the following:</p> <ul style="list-style-type: none"> • disregard message if a cancellation reason code of 1, 2, 3, or 8 was correctly entered for CCC-509 • change the cancellation reason code if entered incorrectly • reinstate CCC-509 if canceled in error.
<p>“Producer Withdrew CCC-509.”</p>	<p>Cancellation reason code of 4 has been entered for CCC-509.</p>	<p>Do 1 of the following:</p> <ul style="list-style-type: none"> • disregard message if a cancellation reason code of 4 was correctly entered for CCC-509 • change the cancellation reason code if entered incorrectly • reinstate CCC-509 if canceled in error.

140 Nonpayment Register (Continued)

C Messages (Continued)

Message	Reason for Message	County Office Action
<p>“CCC-509 Has FAV Violation.”</p>	<p>Cancellation reason code of 5 has been entered for CCC-509.</p>	<p>Do 1 of the following:</p> <ul style="list-style-type: none"> • disregard message if a cancellation reason code of 5 was correctly entered for CCC-509 • change the cancellation reason code if entered incorrectly • reinstate CCC-509 if canceled in error.
<p>“CCC-509 Has HELC/WC Violation.”</p> <p>*--Note: Applicable for 2003 and 2004 only.</p>	<p>Cancellation reason code of 6 has been entered for CCC-509.</p>	<p>Do 1 of the following:</p> <ul style="list-style-type: none"> • disregard message if a cancellation reason code of 6 was correctly entered for CCC-509 • change the cancellation reason code if entered incorrectly • reinstate CCC-509 if canceled in error.
<p>“CCC-509 Has Noxious Weed Violation.”</p> <p>Note: Applicable for 2003 and 2004 only.--*</p>	<p>Cancellation reason code of 7 has been entered for CCC-509.</p>	<p>Do 1 of the following:</p> <ul style="list-style-type: none"> • disregard message if a cancellation reason code of 7 was correctly entered for CCC-509 • change the cancellation reason code if entered incorrectly • reinstate CCC-509 if canceled in error.

140 Nonpayment Register (Continued)

C Messages (Continued)

*--

Message	Reason for Message	County Office Action
<p>“CCC-509 Was Entered In Error”</p> <p>Note: Applies to 2005 and subsequent years processing.</p>	<p>Cancellation reason selected on CCC-509 is CCC-509 was entered in error.</p>	<p>Do 1 of the following:</p> <ul style="list-style-type: none"> • disregard message if the cancellation was correctly entered for CCC-509 • change the cancellation reason code if entered incorrectly • re-enter CCC-509 if canceled in error.
<p>“CCC-509 has an acreage reporting violation”</p> <p>Note: Applies to 2005 and subsequent years processing.</p>	<p>Cancellation reason has been entered as CCC-509 has an acreage reporting Violation.</p>	<p>Do 1 of the following:</p> <ul style="list-style-type: none"> • disregard message if the cancellation was correctly entered for CCC-509 • change the cancellation reason code if entered incorrectly • re-enter CCC-509 if canceled in error.
<p>“Farm Has Been Reconstituted”</p> <p>Note: Applies to 2005 and subsequent years processing.</p>	<p>Cancellation reason has been automatically generated because the farm has been reconstituted.</p>	<p>Do 1 of the following:</p> <ul style="list-style-type: none"> • disregard message if the cancellation was correctly entered for CCC-509 • change the cancellation reason code if entered incorrectly • re-enter CCC-509 if canceled in error.

--*

140 Nonpayment Register (Continued)

C Messages (Continued)

*--

Message	Reason for Message	County Office Action
<p>“Farm Has Been Out Transferred”</p> <p>Note: Applies to 2005 and subsequent years processing.</p>	<p>Cancellation reason has been entered because the farm has been out transferred.</p>	<p>Do 1 of the following:</p> <ul style="list-style-type: none"> • disregard message if the cancellation was correctly entered for CCC-509 • change the cancellation reason code if entered incorrectly • re-enter CCC-509 if canceled in error.
<p>“Farm Records Have Been Modified”</p> <p>Note: Applies to 2005 and subsequent years processing.</p>	<p>Cancellation reason has been automatically generated because farm records have been modified.</p>	<p>Do 1 of the following:</p> <ul style="list-style-type: none"> • disregard message if the cancellation was correctly entered for CCC-509 • change the cancellation reason code if entered incorrectly • re-enter CCC-509 if canceled in error.

--*

141 (Reserved)

142 Pending Payment Register

**A
Generating a
Pending
Payment
Register**

The Pending Payment Register lists all producers eligible to be paid. A register is generated for each batch of payables computed. The batches are as follows.

- “B”atch - regular payments that have no special circumstances. These payments require no user intervention.
- “A”ssignment - payments marked in name and address as having an assignment or joint payee form on file. These payments require no user intervention, but may require more time to print because they will read the assignment/joint payee file.
- “O”nline - payments marked in name and address as having a claim, receivable, other agency claim, or nonresident alien. These records **will** require user intervention.

Note: This register shows the members’ share of joint operations. This is the only place that this is printed. CCC-184 and the transaction statement do not show the members’ share of the payment.

Continued on the next page

142 Pending Payment Register (Continued)

B

Data on Pending Payment Register The following fields are on the Pending Payment Register.

Field	Contents of Field
Farm	Farm number the payment was processed for.
ID Number/Type	Producer or entity ID for the producer payment was processed for.
Name	<p>Name of producer or entity corresponding to the ID number and type.</p> <p>Note: If the producer or entity is a joint operation, the name of the joint operation appears first and the names of all the members eligible to be paid follow.</p>
Crop	Abbreviated name of the crop being paid for the farm number.
Gross Payment	Gross payment for the crop. This is the amount before reduction(s) being applied.
Reductions	Total of all reduction amounts being applied to the payment.
RSNS	<p>Code associated to the reason why payment is reduced. Applicable codes are as follows.</p> <ul style="list-style-type: none"> • A = Permitted Share • B = Cropland Factor • C = Payment Limitation • D = Net PFC Payments for 2002 final direct payments only • D = AGI for 2003 and subsequent years •-E = FAV Reduction <p>Note: The FAV violation reduction amount will be equal to or less than the calculated resulting payment.</p> <p>Example: A producer’s total calculated payment is \$1,000. The producer elected to receive an advance payment resulting in a \$500 advance payment. The FAV violation reduction amount is determined to be \$600. Since \$500 is the resulting payment due, the FAV reduction will be limited to the available \$500.</p> <p>Note: The overpayment process will account for the \$100 that was not reduced at the time of payment.--*</p>
Net Payment	Net payment amount for the crop after any applicable reduction is applied.

143 (Reserved)

***--144 FAV Reduction Register**

**A
Generating an
FAV Reduction
Register**

The FAV Reduction Register lists all producers who incurred a FAV violation reduction during the payment process. The FAV Reduction Register will provide the reduction amount by producer and crop.

Notes: This register lists the FAV violation reduction by producer so only 1 reduction will be listed if the producer is a joint operation.

The FAV reduction amount listed applies to the reduction that took place for that producer and crop during that specific payment process.

**B
Data on FAV
Reduction
Register**

The following fields are on the FAV Reduction Register.

Field	Contents of Field
Farm	Farm number the payment was processed for.
Crop	Abbreviated name of the crop being paid for the farm number.
Producer Name	Name of the producer the payment was processed for.
Producer ID and Type	Producer or entity ID for the producer payment was processed for.
FAV Reduction	<p>Amount of reduction applied to resulting payment.</p> <p>Note: The FAV violation reduction amount will be equal to or less than the calculated resulting payment.</p> <p>Example: A producer’s total calculated payment is \$1,000. The producer elected to receive an advance payment resulting in a \$500 advance payment. The FAV violation reduction amount is determined to be \$600. Since \$500 is the resulting payment due, the FAV reduction will be limited to the available \$500.</p> <p>Note: The overpayment process will account for the \$100 that was not reduced at the time of payment.</p>

--*

145-154 (Reserved)

Parts 6 and 7 (Reserved)

155-220 (Reserved)

--Part 8 Overpayments*221 Computing Overpayments**

A**Introduction**

Overpayments shall be calculated for **all** farms for all program years at least once every 60 calendar days to ensure that:

- producers are timely notified of overpayments
- the finality rule will not apply.

County Offices shall continue to compute overpayments at least every 60 calendar days until the program is officially closed out. The program is not officially closed out until the software options are disabled.

Note: For 2002 direct overpayment processing only, ensure that the PFC Transition Overpayment process has been run before processing DCP overpayments. If more than 7 calendar days have passed since the 2002 PFC Transition Overpayments have been processed, PFC/DCP Overpayment Screen MZAHOV02 will display with the message, "PFC/DCP transition overpayments must be computed at least every 7 calendar days."

B**Running Overpayment Process**

Overpayments may be calculated at any time by 1 of the following:

- farm
- range of farms
- all farms
- selected farms.

The system will force an "all farms" process to be run every 60 calendar days. If it has been 60 calendar days since the last "all farms" process has been run, the system will display the message, "The Overpayment File is more than 60 calendar days old. All overpayments must be run, do you want to run an all overpayment cycle at this time? ENTER "Y" to run the all cycle or "N" to end this process."

If this message is received, overpayments may not be processed by farm, range of farms, or selected farms until this "all farms" process has been completed.--*

Continued on the next page

***--221 Computing Overpayments (Continued)**

**B
Running
Overpayment
Process
(Continued)**

Notes: For 2002 direct overpayment processing, ensure that option 3, “Special Overpayment Process for DCP PFC Transition”, on Menu MGC000 has been processed before selecting to process 2002 direct overpayment options.

Each time the overpayment process is run, the previous overpayment file will be deleted.

**C
Accessing
Overpayment
Process**

Access the overpayment compute process from Menu FAX250 according to this table.

Step	Menu or Screen	Action
1	FAX250	ENTER “3” or “4”, “Application Processing”, as applicable.
2	FAX09002	Enter the appropriate county.
3	FAX07001	ENTER “11”, “PFC/DCP/Compliance”.
4	M00000	ENTER “10”, “Direct and Counter-Cyclical Program”.
5	MZYEAR	Enter the appropriate program year.
6	MZA000	Enter either of the following: <ul style="list-style-type: none"> • “2”, “Direct Payment Processing” • “3”, “Counter-Cyclical Payment Processing”.
7	MZAAPO - Direct MZABPO - Counter-Cyclical	ENTER “2”, “Overpayment Processing”.
8	MZAA01 - Direct MZAB01 - Counter-Cyclical	ENTER “1”, “Compute Overpayments”.

Note: A report will be sent to the selected printer when overpayments have been computed for the selected farms.--*

Continued on the next page

***--221 Computing Overpayments (Continued)**

D

**Farm Selection
From Screen
MZAAPA01 or
MZABPA01**

Access the overpayment process by farm number according to this table.

Selection	Action	Result
Process 1 farm.	Enter the farm number in the “beginning farm number” field.	Overpayments will be calculated for the farm selected.
Process a range of farms.	Enter the beginning farm number and ending farm number in the appropriate fields.	Overpayments will be calculated for the range of farms selected.
Process all farms.	ENTER “All” in the “beginning farm number” field.	Overpayments will be calculated for all farms.
Process selected farms.	ENTER “X” in the “randomly select farms” field. On Screen MZAAPA01, enter the farms to be processed.	Overpayments will be calculated for the selected farm numbers.

--*

Continued on the next page

***--221 Computing Overpayments (Continued)**

E

Messages

This table lists messages that may display while processing overpayments.

Message	Reason for Message	County Office Action
For 2002 direct overpayment processing only, "PFC/DCP transition overpayments must be computed at least every 7 calendar days."	The PFC/DCP transition overpayment process has not been run in the last 7 calendar days, and the user is trying to process a farm, range of farms, or selected farms.	The PFC/DCP transition overpayment process must be completed before 2002 direct overpayments can be processed for a farm, range of farms, or selected farms.
"The Overpayment File is more than 60 calendar days old. All overpayments must be run, do you want to run an all overpayment cycle at this time? ENTER "Y" to run the all cycle or "N" to end this process."	The "all farms" process has not been run in the last 60 calendar days, and the user is trying to process a farm, range of farms, or selected farms.	The "all farms" process must be completed before overpayments can be processed for a farm, range of farms, or selected farms.
"The overpayment process is currently being processed on another workstation. Please try again after the process has completed. PRESS "Enter" to terminate this request."	Overpayments are being processed on another terminal.	Try to access the overpayment process after the current overpayment job is completed from the other terminal.
"There is a suspended overpayment batch on workstation XX. The suspended batch needs to be processed before continuing this option. PRESS "Enter" to terminate this request."	A batch of overpayment records has been suspended. These records must be processed.	Process the suspended batch from the terminal they were suspended on.

--*

222 Collecting Overpayments

A Introduction

This paragraph provides policy for handling DCP overpayments that were issued to producers. County Offices shall take necessary action to collect overpayments.

B Overpayments and Due Dates

This table lists:

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

***--Note:** If the overpayment of an advance payment is less than the final payment that will be issued, the overpayment should not be transferred to receivables. Notate the overpayment register, as applicable.--*

Time of Determination	Situation	Overpayment Due Date
After contract acreage is reduced	<p>The advance payment was computed and the contract acreage is later reduced. If the outstanding advance is more than the actual payment acres times the yield times the producer share times the projected final payment rate, the difference is due and payable.</p> <p>Note: The overpayment register will calculate the overpayment using the advance payment rate. Determine the amount due immediately and adjust the overpayment according to paragraph 225.</p>	Immediately
After producer misrepresentation is determined	Producer receives an advance payment and COC determines that the producer misrepresented their interest on CCC-509.	Immediately with interest accruing from date of disbursement
Any time	Payment was issued for the wrong crop, farm, or producer.	Immediately
Payment limitation exceeded	Determination is made that payments have been issued exceeding the producer's effective payment limitation. The amount in excess of the payment limitation is due and payable.	Immediately
Eligibility status	Producer's eligibility status changes and is no longer eligible to receive payments. All payments issued during FY are due and payable.	Immediately

222 Collecting Overpayments (Continued)

B Overpayments and Due Dates (Continued)

Time of Determination	Situation		Overpayment Due Date
After FAV acreage report or determination.	IF...	THEN...	
	the advance payment was issued and the producer has an FAV violation amount greater than the final payment due October 1 of the applicable program year	the entire advance payment is due and payable.	Immediately
the advance payment was issued and the producer FAV violation amount is greater than the advance payment issued, but equal to or less than the final payment due October 1 of the applicable program year	the difference is due and payable.	October 1 of the next FY	
--After cropland acres have been certified on FSA-578.	the advance payment was issued and all cropland acres have not been certified to on FSA-578 as of October 1 of the current FY	the entire advance payment is due and payable.	October 1 of the current FY Note: If a producer is determined as overpaid on or after October 1 of the current FY and the overpayment is subsequently transferred to receivables and then claims, claim interest will apply even though the condition causing the overpayment is later resolved. See paragraph 223.--
Any time CCC-509 is terminated.	payments were issued on CCC-509	CCC-509 was later terminated during that FY.	Immediately Note: Interest may apply from the date of disbursement, if the producer is determined to be ineligible according to paragraph 223.

222 Collecting Overpayments (Continued)**C Overpayments Less Than \$35**

For overpayment amounts less than \$35, County Offices shall transfer the overpayment to CRS according to this paragraph. If the receivable amount is:

- less than \$10, follow 67-FI to perform a small balance writeoff
- \$10 or greater but less than \$35, notify the producer of the debt according to 67-FI. If the debt is not repaid within 60 calendar days, transfer the receivable to the claims system according to 67-FI. Process the claim according to 64-FI.

Note: This rule does not apply to PFC transition overpayments. All PFC transition overpayment amounts must be refunded.

223 Charging Interest**A Introduction**

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

B Ineligible Producers

A producer is considered ineligible if:

- COC determines that the producer:
 - erroneously or fraudulently represented any act affecting a determination
 - knowingly adopted a scheme or device that tends to defeat the purposes of the program
 - misrepresented their interest and subsequently received a DCP or ACRE payment
- the producer does not meet AGI provisions
- conservation compliance provisions are not met
- controlled substance provisions are not met
- FAV reduction or violation is determined.

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

C When Not to Charge Interest

Interest will not be charged if the producer:

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

***--224 Selecting Overpayments**

A Introduction

After computing overpayments and printing the overpayment register, overpayments may be selected and transferred to CRS. Transferring overpayments to CRS will automatically:

- remove the overpayment from the DCP system
- set up a receivable for the producer.

Overpayments shall be transferred to CRS in a timely manner.--*

***--224 Selecting Overpayments (Continued)**

**B
Time
Restrictions**

The system will not print the overpayment register or transfer selected overpayments to CRS if the system's initial program load date is 7 calendar days greater than the date the overpayments were computed.

Overpayments must be recomputed before the overpayment register can be printed or selected overpayments transferred to CRS.

Screen MZAAO004 will be displayed if the overpayment file is more than 7 calendar days old.

```

DCP Informational Screen      205 - Hartley      Message      MZAAO004
                               Version: AE64 02/14/03 12:36 TERM E0
-----
                               The Overpayment File needed to process this option
                               is not on the system. Please take the option to
                               "Compute Overpayments".

                               ENTER to terminate this request.

ENTER=Continue
    
```

Note: For 2002 direct overpayment processing only, the PFC/DCP transition overpayment must be run every 7 calendar days. If more than 7 calendar days have passed since the 2002 PFC/DCP transition overpayment process has been run, Screen MZAHOV03 will be displayed.

```

DCP Overpayments      205 - Hartley      Message      MZAHOV03
2002                  Version: AE64 02/14/2003 12:37 TERM E0
-----
                               You are currently in the Direct Overpayment Process,
                               however, the PFC Transition Overpayments have not been
                               computed in more than 7 days.

                               Option 3 "Special Overpayment Process for DCP Transition"
                               on PFC Menu MGC000 must be completed before processing
                               can continue.

CMD7=End
    
```

--*

Continued on the next page

***--224 Selecting Overpayments (Continued)**

C

Accessing Screen MZAAOE02 Screen MZAAOE02 displays computed overpayments for selected farms. Access Screen MZAAOE02 according to this table.

Step	Menu or Screen	Instruction
1	FAX250	ENTER "3", "Application Processing".
2	FAX09002	Select the appropriate county.
3	FAX07001	ENTER "11", "PFC/DCP/Compliance".
4	M00000	ENTER "10", "Direct and Counter-Cyclical Program".
5	MZYEAR	Select the appropriate program year.
6	MZA000	Enter either of the following: <ul style="list-style-type: none"> • "2", "Direct Payment Processing" • "3", "Counter-Cyclical Payment Processing".
7	MZAAPO - Direct MZABPO - Counter-Cyclical	ENTER "2", "Overpayment Processing".
8	MZAA01 - Direct MZAB01 - Counter-Cyclical	ENTER "3", "Transfer Overpayments to CRS".

D

Example of Screen MZAAOE02

This is an example of Screen MZAAOE02.

```

MZAAO3                205 - Hartley                Control          MZAAOE02
2002 Direct Overpayments                Version: AE64 02-20-2003 11:50 TERM E0
-----
Enter an 'X' in the SEL column to select producer for overpayment processing

SEL Producer name          Producer ID      Farm No.      Crop      Overpayment Amount
- ABC FARMS                30 1234567 E      1      CORN      $ 420
- BESS CANTON              311 60 1741 S      1      WHEAT     $5,502
- BESS CANTON              311 60 1741 S      1      CORN      $ 90
- LJK ENTERPRISES         48 3216548 E      1      WHEAT     $8,021
      MORE PRODUCERS

Cmd5=Update   Cmd7=End   Roll=Page
    
```

Note: Data displayed on Screen MZAAOE02 cannot be changed.--*

Continued on the next page

***--224 Selecting Overpayments (Continued)**

**E
Displaying Order
of Overpayments**

Overpayments will be displayed on Screen MZAAOE02 in the following order:

- producer’s last name
 - producer’s ID number and type
 - farm number
 - crop sequence.
-

**F
Selecting
Overpayments
on Screen
MZAAOE02**

Select overpayments on Screen MZAAOE02 according to this table.

Note: Only select overpayments that should be transferred to receivables. Do **not** select any overpayment that should not be sent to receivables.

Step	Action
1	ENTER “X” in the “SEL” column for all overpayments to be transferred to CRS.
2	PRESS “Cmd5”.

--*

Continued on the next page

*--224 Selecting Overpayments (Continued)

G
Fields on Screen
MZAAOE02

Following are the column headings and an explanation of what is displayed in each column on Screen MZAAOE02.

Column Heading	Information Displayed
Producer Name	The individual producer or entity name.
Producer ID and Type	The individual producer's or entity's ID number and type.
Farm No.	The farm number that the overpayment is associated with. Note: If the overpayment is the result of the producer exceeding the payment limitation, no farm number will be displayed.
Crop	The crop that the overpayment is associated with. Note: If the overpayment is the result of the producer exceeding the payment limitation, no crop will be displayed.
Overpayment Amount	The overpayment amount for the farm and crop. All overpayments computed to \$10 or more will be displayed on Screen MZAAOE02. Overpayments less than \$10 will not be displayed and cannot be transferred to CRS. Note: For joint operations, the total joint operation overpayment must be \$10 or more.

--*

Continued on the next page

***--224 Selecting Overpayments (Continued)**

H

**Commands
on Screen
MZAAOE02**

This table lists the commands that are available on Screen MZAAOE02.

Selection	Action	Result
End the process.	PRESS "Cmd7".	Overpayment Menu MZAAPO will be redisplayed. Information will not be updated.
End the selection process and update the selected records.	PRESS "Cmd5".	Screen MZAAOF01 will be displayed.

--*

Continued on the next page

***--224 Selecting Overpayments (Continued)**

**I
No
Overpayments
To Be Selected**

After selecting option 3, "Transfer Overpayments to CRS", on Menu MZAA01, Screen MZAAOE01 will be displayed if no overpayments have been computed.

```
MZAAOE                205 - Hartley                Control  MZAAOE01
2002 DCP Overpayments                Version: AE64 02-20-2003 11:54 Term E0
-----
                                     There are no Overpayments for the Producer(s) requested

CMD7=End
```

--*

225 Updating Overpayments

A Introduction

After overpayments have been selected, Screen MZAAOF01 will be displayed for each *-selected overpayment. County Offices will be allowed to decrease overpayments on--* Screen MZAAOF01 before transferring the overpayment to CRS.

Important: Adjust the overpayment on Screen MZAAOF01 before transferring to CRS. The amount cannot be adjusted in the receivable process, and the amount of the overpayment sent to CRS will be reduced from the total direct or counter-cyclical payments.

B Example of Screen MZAAOF01

This is an example of Screen MZAAOF01.

*--

MZAAOF	205 -HARTLEY	Selection MZAAOF01
2004 Direct Overpayments		Version: AF05 09-29-2004 14:43 TERM E0

Producer ID/Name	999-99-9999 X	ABC FARMS
Farm No.	758	Crop CANOL Basis Code 10431 Audit No.
Crop Amount:	
Pay. Limit. Amount:	
FAV Planting Reduc. Amount:	 377
FAV Reporting Reduc. Amount:	
FAV Maintenance Reduc. Amount:	 73
Overpayment Amount:	 450
Enter=Continue Cmd2=Skip this Record Cmd5=Transfer Selected Records Cmd7=End		

Note: The example of Screen MZAAOF01 is for 2004 and subsequent years processing. For 2003 overpayment processing, 1 FAV violation data field will display as, "FAV Violation Amount."--*

*--225 Updating Overpayments (Continued)

C Fields on Screen MZAAOF01

Following are the fields on Screen MZAAOF01 and an explanation of the information displayed. County Offices may change some of the information displayed.

Field	Information Displayed	What Can Be Changed
Producer ID/Name	The producer's or entity's: <ul style="list-style-type: none"> • ID number and type • name. 	
Member ID/Name	If the entity is a joint operation, the member's: <ul style="list-style-type: none"> • ID number and type • name. <p>Note: This field will be suppressed if the producer is not a joint operation.</p>	
Farm No.	The farm number that the overpayment is associated with. <p>Note: If the overpayment is the result of payment limitation, no farm number will be displayed.</p>	
Crop	The crop that the overpayment is associated with. <p>Note: If the overpayment is the result of payment limitation, no crop will be displayed.</p>	

--*

225 Updating Overpayments (Continued)

C Fields on Screen MZAAOF01 (Continued)

Field	Information Displayed	What Can Be Changed
Basis Code	The basis code associated with the overpayment.	The basis code will be displayed based on the reason for the overpayment. The displayed basis code may be changed. See paragraph 227 for applicable basis codes. Note: The basis code must not be changed for members of joint operations. Change the basis code only for the joint operation.
Audit No.		If the basis code is 19-XXX, the audit number must be entered in this field. See subparagraph 227 B.
Overpayment Amount	The amount of the crop overpayment, if applicable.	The overpayment amount may be reduced or increased. If the amount is changed, a reason code must be entered.
Pay. Limit Amount	The amount of the payment limitation overpayment, if applicable.	The payment limitation amount may be reduced or increased. If the amount is changed, a reason code must be entered.
FAV Violation Amount Note: Applies to 2003 processing only.	The amount of the FAV violation, if applicable.	The FAV violation amount may be reduced or increased. If the amount is changed, a reason code must be entered.
Planting Violation Amount	The amount of the planting violation, if applicable	*--The planting violation amount may be decreased only. If the amount is changed, a reason code must be entered.
Reporting Violation Amount	The amount of the reporting violation, if applicable	The reporting violation amount may be decreased only. If the amount is changed, a reason code must be entered.
Maintenance Default Reduction Amount	The amount of the maintenance default, if applicable	The maintenance default amount may be decreased only. If the amount is changed, a reason code must be entered.

Note: The planting, reporting, and maintenance violation or reduction data fields will--* only display for 2004 and subsequent years. For 2003 overpayment processing, one FAV violation data field will display as “FAV Violation Amount”.

225 Updating Overpayments (Continued)

C Fields on Screen MZAAOF01 (Continued)

Field	Information Displayed	What Can Be Changed
Total Overpayment Amt	<p>Calculated overpayment total amount.</p> <p>Note: This amount will be recalculated by the system if the crop or payment limitation amount is adjusted.</p>	
Reason Code		<p>An entry will be required in this field if the crop, payment limitation, DCP reduction, or FAV violation amount is adjusted. See paragraph 226 for applicable reason codes.</p>
Interest Start Date		<p>An entry is required in this field if the *-basis code has been changed to 10-423 or 19-423. The interest start date should be the date of the original DCP disbursement.</p>
Interest Rate		<p>An entry is required in this field if the basis code has been changed to 10-423 or 19-423. The interest rate:--*</p> <ul style="list-style-type: none"> • must be greater than 0 and less than 25.001 • should be the interest rate in effect at the date of the original DCP disbursement. See 50-FI for the applicable loan interest rate.

***--225 Updating Overpayments (Continued)**

D

Commands on Screen MZAAOF01 This table lists the commands that are available on Screen MZAAOF01.

Selection	Action
End the process.	PRESS "Cmd7". No information will be updated. Result: Overpayment Menu MZAA01 will be redisplayed.
End the update process and update the record with any changes.	PRESS "Cmd5".
Skip this overpayment and go to the next overpayment selected on Screen MZAAOE01.	PRESS "Cmd2".
Display the Help Screen for applicable reason codes.	PRESS "Help".
Update the record with any changes, and continue with the next overpayment.	PRESS "Enter". Note: If no more overpayments need to be updated, process overpayments.

--*

226 Reason Codes

A
Using Reason
Codes

A County Office shall use 1 of the following reason codes if the County Office increases or decreases the crop or pay limitation.

Reason Code No.	Explanation
1	*--Eligibility is incorrect.
2	Payment limitation.--*
3	Finality rule.
* * *	* * *
--9--	Other.

Note: If the overpayment is to be reduced to zero, it should not be selected on Screen MZAAOE01. The system will not update an overpayment reduced to zero. PRESS "Cmd2" to skip this overpayment.

227 Basis Codes

A Introduction

The basis code will default to the appropriate code coinciding with the message printed on the overpayment register; however, it may be changed. It is important that the basis code is correct to track all overpayments. The National Office uses the basis code to track FY disbursements and allocations.

B Overpayments Found as Result of Audits

If the overpayment is discovered as the result of an audit, the first 2 digits must be changed to “19”. The system will then require that the audit number be entered in the “audit number” field.

C Allowable Basis Codes

County Offices shall use this table to determine allowable basis codes.

Note: If COC has determined fraud, scheme, or device, the last 3 digits of the debt basis code shall be changed to “423”.

IF the overpayment message is...	THEN the system will default the basis code to...
“CCC-509 Has Been Withdrawn”	10-425.
“Crop Has Been Withdrawn”	10-425.
“Payment Limitation Exceeded”	10-426.
“No Eligibility Record on File”	10-427.
“Person Determination * * * is Invalid”	10-427.
“AD-1026 * * * is Invalid”	10-427.
“Actively Engaged * * * is Invalid”	10-427.
“6-CP * * * is Invalid”	10-427.
“Controlled Substance * * * is Invalid”	10-427.
--“Multiple Invalid Eligibility Determination”--	10-427.

227 Basis Codes (Continued)

C Allowable Basis Codes (Continued)

IF the overpayment message is...	THEN the system will default the basis code to...
"Prior Payments Exceed Current Payments"	10-428.
"Producer Has Refused Payment"	10-428.
"CCC-509 Does Not Have an Approval Date"	10-429.
"CCC-509 Has Been Canceled"	10-429.
"Found on Payment History Only" Note: If the overpayment is the result of producer misrepresentation, change the debt basis code to *--"10-423", so an interest start date can be entered.--*	10-429.
"Producer ID Not on Entity File"	10-429.
"FAV Violation"	10-431.

Note: If a joint operation does not meet eligibility requirements, all members of the joint operation are not eligible for payment.

***--228 Transferring Overpayments to Receivables**

A**Introduction**

After overpayments have been updated, Batch Overpayment Printing Control Screen MZAAPN01 will be displayed. Screen MZAAPN01 will allow overpayments to be:

- transferred to CRS
 - suspended.
-

B**Batches**

Overpayments will be divided into the following 2 batches:

- “B”, which will:
 - include all entity types, except 02, 03, 05, and 07
 - transfer overpayments to CRS in batches of 75
 - “O”, which will:
 - include entity types 02, 03, 05, and 07
 - transfer overpayments to CRS in batches of 10.
-

C**Suspending Overpayments**

If “N” is entered on Screen MZAAPN01, the batch will be suspended. To restart the batch, ENTER “8”, “Continue Suspended Overpayment Batch”, on Menu MZAA01.--*

***--229 Canceling Overpayments**

A

Introduction

If it is discovered that an overpayment has been transferred to CRS erroneously, the overpayment may not be canceled until subsequent transactions, such as collections applied to the receivable, have been canceled in CRS.

Note: See 67-FI for deleting transactions.

B

Steps to Cancel Overpayment

County Offices shall follow this table to cancel an overpayment.

Step	Menu or Screen	Action
1	MZAAP0 - Direct MZABPO - Counter-Cyclical	ENTER "2", "Overpayment Processing", and PRESS "Enter".
2	MZAA01 - Direct MZAB01 - Counter-Cyclical	ENTER "4", "Cancel Overpayments", and PRESS "Enter".
3	MZAAPA02 - Direct MZABPA02 - Counter-Cyclical	<ul style="list-style-type: none"> • Enter the last name or last 4 positions of the ID number of the producer with the overpayment that needs to be canceled. • PRESS "Enter".
4	MZAAOS01 - Direct MZABOS01 - Counter-Cyclical	<ul style="list-style-type: none"> • ENTER "X" in the "SEL" column next to the overpayment that needs to be canceled. • PRESS "Cmd5".
5	MZAAOS01 - Direct MZABOS01 - Counter-Cyclical	If selections are: <ul style="list-style-type: none"> • correct, PRESS "Cmd5" • incorrect, return to step 4.

Note: To redisplay the overpayment after the overpayment is canceled, ENTER "1", "Compute Overpayment and Transfer to Accounting", on Menu MZAA01 or MZAB01.--*

230-243 (Reserved)

Part 9 (Reserved)

244-272 (Reserved)

***--230 Overpayment Register**

A About the Overpayment Register

When overpayments are computed, an overpayment register will be printed that includes information for each selected producer that is overpaid. This register informs County Offices of the reason the overpayment has been calculated and the amount of the overpayment.

Note: An overpayment register will be printed even if none of the producers in the selected batch are overpaid. The message, “No Exceptions for Selected Producers”, will be printed on the overpayment register.

B Reviewing the Overpayment Register

The overpayment register is automatically printed after all selected overpayments have been computed. County Offices shall review the overpayment register to ensure that:

- producers are timely notified of overpayments
- the finality rule will not apply.

C DD Review

DD’s shall review the overpayment register to ensure that County Offices are:

- running the overpayment process in a timely manner
- collecting overpayments in a timely manner
- correcting information in the system that creates an erroneous overpayment condition.--*

***--230 Overpayment Register (Continued)**

D Register Retention

County Offices shall retain copies of direct or CC overpayment registers for 1 year from the date the overpayment register is prepared.

E Reprinting the Overpayment Register

The overpayment register for the most recent computations can be reprinted by accessing option 2, "Reprint Overpayment Register", on Menu MHACO2.

Note: The overpayment register cannot be reprinted if the system date is more than 7 calendar days past the date the overpayments were last computed.--*

231-243 (Reserved)

Part 9 (Reserved)

244-272 (Reserved)

Part 10 Recovery Process**273 Using the Recovery Process**

A**Introduction**

If the system is interrupted for any reason, while processing DCP payments, the recovery program is executed when processing market transition payments again.

B**Recovery Process**

When an interruption occurs, the system attempts to automatically recover when either of the follow occurs:

- the user selects any option on Menu FAX250 from the workstation that was processing payments before the interruption
- the user selects a payment option on Menu MZAAP1 for direct or Menu MZABP1 for counter-cyclical. Depending upon the situation, various messages will display on the screen.

The system recovers to the point of interruption or a report, file listing, or both print to assist in the recovery process.

Continued on the next page

273 Using the Recovery Process (Continued)

C**Screen
MZAAPSTR
Displays if
Interruption
Detected**

Screen MZAAPSTR displays if an interruption is detected. The message, "An interruption in the payment processing has been detected. PRESS "Enter" to attempt the recovery process. PLEASE DO NOT CANCEL." will display on the screen. Canceling the process will damage the PPH file.

D**Screen
MZAAPEND
Displays After
Recovery**

After the recovery process has been completed, Screen MZAAPEND displays. The message, "The recovery process has completed. PRESS "Enter" to continue with the option originally selected." will display on the screen. The system returns to the process that was originally selected on Menu MZAAP1 or Menu MZABP1. The user may now continue with original processing.

274 DCP Diagnostic Report

A

**When Report
Will Print**

If intervention is required from the National Help Desk, the DCP Diagnostic Report is placed on the spool file. A message is displayed that instructs the user that the DCP recovery program has printed a report. The report is on hold. The user must release the report from the spool file.

Do not destroy the report. This report contains information that is helpful to the National Help Desk in restoring the system.

B

**Contacting
National Help
Desk**

If the DCP Diagnostic Report is received, immediately contact the National Help Desk through the appropriate State Office personnel. Ensure that the report is available to assist the National Help Desk.

C

**State Office
Action**

The State Office shall immediately contact the National Help Desk. Do not attempt to correct the County Office system.

275-300 (Reserved)

Part 11 Payment Reports

301 CCC-509E, Statement of Producer Earnings

A

Introduction

CCC-509E is a report developed to assist County Offices with reconciling payment information.

B

**Purpose of
CCC-509E**

CCC-509E will assist with payment reconciliation for DCP payments.

Continued on the next page

301 CCC-509E, Statement of Producer Earnings (Continued)

C
Information on
CCC-509E

CCC-509E provides calculated payment information for each:

- producer on CCC-509 and/or payment history file
- member of joint operations.

However, CCC-509E also provides actual payment information, such as:

- if CCC-509 is approved
- if FSA-578 is certified
- payments issued
- FAV reduction acres
- *--FAV violation reduction amounts--*
- receivables established
- calculated over or under payment amount.

Each CCC-509E:

- is producer/member and farm specific
- contains all the crop and payment data for the applicable producer/member and farm.

Example: Producer A has a share in 4 crops on FSN 328, but also has an interest in FSN’s 329, 330, 331, and 332. If CCC-509E is printed for Producer A, then five CCC-509E’s will be printed, 1 for each farm. Each CCC-509E contains the crop information for that applicable contract.

The following information is printed on CCC-509E.

Section	Field	Description
Header Area	Producer	Producer name, ID number, and address
	Farm Number	
	Payment Cycle	<p>Direct payments: “A” or “F” indicating what payment cycle the payment process was in when CCC-509E was printed.</p> <p>Counter-cyclical payments: “A1”, “A2”, or “F” indicating what payment cycle the payment process was in when CCC-509E was printed.</p>

Continued on the next page

301 CCC-509E, Statement of Producer Earnings (Continued)

C
Information on
CCC-509E
(Continued)

Section	Field	Description
Contract/ Producer Information	Approved CCC-509	Reads the CCC-509 worksheet file to determine whether the contract is: <ul style="list-style-type: none"> • approved • not approved.
	Combined Producer	Indicates whether the selected producer is combined with any other producers.
	Multi-County Producer	Indicates whether the selected producer participates in more than 1 county.
	Cert. FSA-578	Reads the compliance file to determine whether FSA-578 is: <ul style="list-style-type: none"> • approved • not approved.
	Payment Limitation Allocation	Payment limitation allocation applicable for the producer. For: <ul style="list-style-type: none"> • multi-county and combined producers, the amount is determined by the allocation on the payment limitation file • producers that are not multi-county, the amount is \$40,000 for direct and \$65,000 for counter-cyclical. <p>Note: Since joint operations and exempt entities do not have a payment limitation, an amount will not be printed in this field for these producers.</p>
	Payment Acres	Payment acres from the CCC-509 worksheet file for the applicable crop.
	FAV Reduction Acres	FAV reduction acres from the FAV reduction file for the applicable crop. <p>*--Note: The FAV violation reduction amount will be equal to or less than the calculated resulting payment.</p> <p>Example: A producer’s total calculated payment is \$1,000. The producer elected to receive an advance payment resulting in a \$500 advance payment. The FAV violation reduction amount is determined to be \$600. Since \$500 is the resulting payment due, the FAV reduction will be limited to the available \$500.</p> <p>Note: The overpayment process will account for the \$100 that was not reduced at the time of payment.--*</p>

Continued on the next page

301 CCC-509E, Statement of Producer Earnings (Continued)

C
Information on
CCC-509E
(Continued)

Section	Field	Description
Contract/ Producer Information (Continued)	Net Payment Acres	Result of subtract FAV Reduction Acres from the payment acres.
	Payment Yield	Payment yield from the CCC-509 worksheet file for the applicable crop.
	Producer Share	Producer's share from the CCC-509 worksheet share file for the applicable crop. Note: For members of joint operations, the producer share is the joint operation's share in CCC-509.
	Member Share	If the producer on CCC-509 is a joint operation, then this field will print for members. This is the member's share of the joint operation. Note: This field will only print for members of joint operations.
	Permitted Share	Producer's or member's permitted share from the entity file.
	Cropland Factor	Producer's or member's cropland factor from the entity file.
	Payment Rate	Payment rate for the applicable crop from the Program Parameter file. *--Note: Advance or final payment rate will be printed based on payment cycle.--*
Payment Information	Calculated Payment	Calculated payment amount for the applicable crop. The amount is determined by completing the following calculation: <ul style="list-style-type: none"> • payment acres, minus • FAV reduction acres, times • payment yield • producer share • member share, if applicable • permitted share for 2002 or permitted/AGI share for 2003 and future years

301 CCC-509E, Statement of Producer Earnings (Continued)

C Information on CCC-509E (Continued)

Section	Field	Description
Payment Information (Continued)	Calculated Payment (Continued)	<ul style="list-style-type: none"> • cropland factor • payment rate. <p>Reminder: The calculated payment for joint operations is not a chain calculation. It is the result of adding the calculated payment amounts for all members of the joint operation.</p>
	Payments Issued	Total payments issued for the applicable crop. This amount does not include payments that have been canceled.
	--FAV Violation Reduction	Total FAV violation reduction amount for the applicable producer/crop.--
	Receivables Established	Total receivables established for the applicable producer/crop. This amount does not include canceled receivables.
	Net PFC Payment	Accumulated amount of PFC payment issued for the crop. Note: This applies to 2002 final direct payments only.
	Over/Under Payment	Amount the producer is over or under paid on the applicable crop. This amount is determined according to the following: •*--for 2002: <ul style="list-style-type: none"> • calculated direct or counter-cyclical payment, minus • payments issued, plus • receivables established, minus • net PFC payment (direct payment only) • for 2003: <ul style="list-style-type: none"> • calculated direct or counter-cyclical payment, minus • payments issued, minus • FAV violation reduction amount, plus • receivables established.--*

302 Printing CCC-509E

A Introduction

CCC-509E can printed:

- from the Direct or Counter-Cyclical Payment Reports Menu
- as many times as necessary
- after CCC-509 is approved
- for 1 farm, a batch of farms, all farms, or selected farms
- for a specific producer.

B Printing CCC-509E From the Payments Reports Menu

Follow this table to print CCC-509E from the Direct or Counter-Cyclical Payments Reports Menu.

***--Note:** CCC-509E may not print correctly for producers meeting either of the following 2 conditions because of unavailable eligibility or entity information in the System 36:

- a new producer has been added to a farm and DCP contract, but an end-of-day and start-of-day has not been completed
- a producer has been added to a farm and DCP contract, but the entity information has not been entered in the System 36.

After an end-of-day and start-of-day has been completed or entity information is entered, CCC-509E will print correctly.--*

Step	Menu or Screen	Action
1	FAX250	ENTER "3" or "4", "Application Processing", as applicable.
2	FAX09002	Select the appropriate county on the Office Selection Menu, if applicable.
3	FAX07001	*--ENTER "11", "PFC/DCP/Compliance".--*
4	M00000	ENTER "10", "Direct and Counter-Cyclical Program".
5	MZYEAR	Enter the appropriate program year.
6	MZA000	ENTER "2", "Direct Payment Processing", or "3", "Counter Cyclical Payment Processing", as applicable.
7	MZAAP0 for direct and MZABP0 for counter-cyclical	ENTER "3", "Reports".
8	MZAAP3 for direct and MZABP3 for counter-cyclical	ENTER "2", "Print CCC-509E, Producer Earnings Statement".

302 Printing CCC-509E (Continued)

B
Printing
CCC-509E From
the Payments
Reports Menu
(Continued)

Step	Menu or Screen	Action		Result
9	MZAAEA01 for direct and MZABEA01 for counter-cyclical	IF the print is generated for...	THEN CCC-509E will print for each...	
		<ul style="list-style-type: none"> • a specific farm number • “ALL” farms • a range of farms • randomly selected farms 	<ul style="list-style-type: none"> • producer on the selected farms with a CCC-509 share greater than zero • member of a joint operation. <p>Note: CCC-509E will not print if CCC-509 is not approved.</p>	Menu MZAAP3 for *--direct or Menu--* MZABP3 for counter-cyclical will be redisplayed after the report is sent to the print queue.
producer	<ul style="list-style-type: none"> • farm in which the producer has a CCC-509 share greater than zero • member, if the producer is a joint operation. 			

303-310 (Reserved)

311 Print of PPH

A

Introduction

The PPH print process is a report that indicates information in the payment history file. This PPH print contains all payments issued, canceled, and refunded in date order.

There are 3 different reports available to be printed:

- individual or entity, which may be printed by selecting last name or ID number
 - farm, which may be printed by selecting a single farm, range of farms, all farms, or randomly selected farms
 - joint operation, which may be printed by selected joint operation name or ID number.
-

B

Accessing PPH Payment Report

Access PPH print from Menu FAX250 according to this table.

Step	Menu	Action
1	FAX250	ENTER "3" or "4", "Application Processing", as applicable.
2	FAX09002	Enter the appropriate county on the Office Selection Menu, if applicable.
3	FAX07001	*--ENTER "11", "PFC/DCP/Compliance".--*
4	M00000	ENTER "10", "Direct and Counter-Cyclical Program".
5	MZYEAR	Enter the appropriate program year.
6	MZA000	ENTER "2", "Direct Payment Processing", or "3", "Counter Cyclical Payment Processing", as applicable.
7	MZAAP0 for direct and MZABP0 for counter-cyclical	ENTER "3", "Reports".
8	MZAAP3 for direct and MZABP3 for counter-cyclical	ENTER "1", "Producer Payment History".

Continued on the next page

311 Print of PPH (Continued)

C

Selecting Printer After accessing PPH print, Screen MZAAPRT2 for direct and Screen MZABPRT2 for counter-cyclical will be displayed. Enter the printer ID for the printer on which the PPH payment reports will be printed.

D

Informational Screen After selecting the printer ID, PRESS “Enter”. Menu MZAAP4 for direct and Menu MZABP4 for counter-cyclical will be displayed. This screen is for informational purposes only.

Note: The print of the PPH payment report is evoked. Ensure that all printing has completed before changing the paper in the printer.

E

Print Options Print the PPH payment report by farm number or producer according to the following table.

Selection	Action	Result
Process 1 farm.	Enter the farm number in the “beginning farm number” field.	If the farm has payments recorded in the PPH file, the report for that farm is sent to the selected printer.
Process a range of farms.	Enter the first farm number in the “beginning farm number” field and last farm number in the “ending farm number” field.	A report is sent to the selected printer for all farms within that range with payments recorded in PPH file. Note: A negative report will not print for a farm in the range that does not have payments recorded in the PPH file.
Process all farms.	ENTER “All” in the “beginning farm number” field.	A report is sent to the selected printer for all farms, in sequential order, with payments recorded in the PPH file. Note: A negative report will not print for farms that do not have payments recorded in the PPH file.

Continued on the next page

311 Print of PPH (Continued)

E
Print Options
(Continued)

Selection	Action	Result
Process randomly selected farms.	ENTER "X" in the "randomly select farms" field. On Screen MZAAHA10 for direct and Screen MZABHA10 for counter-cyclical, enter the farm numbers to be processed.	A report is sent to the selected printer for all farms selected with payments recorded on the PPH file. Note: A report will print showing farms that had no payments recorded on the PPH file.
Process an individual, joint operation, or entity by last name.	Enter the last name or entity name.	A report is sent to the selected printer for the individual or entity if payments are recorded in the PPH file. * * *
	Enter the last 4 positions of the ID number	

Continued on the next page

311 Print of PPH (Continued)

F

Types of Reports Three different reports are available. They are:

- individual or entity
- farm
- joint operation.

Use the following table to determine how to print each report.

IF...	AND the entity type is...	THEN...
a farm number is entered		the farm level report is printed for the selected farm.
a range of farms is entered		the farm level report is printed for all farms in the selected range.
“ALL” farms are entered		the farm level report is printed for all farms with payments recorded on the PPH file.
last name is entered	not “02” or “03”	the detailed report for the selected individual or entity report is printed.
	“02” or “03”	the detailed report for the selected joint operation report is printed.
ID number is entered	not “02” or “03”	the detailed report for the selected individual or entity report is printed.
	“02” or “03”	the detailed report for the selected joint operation report is printed.

312 Batch Printing PPH

A

Introduction The batch PPH print allows the print of payments in the PPH file for all:

- farms
- producers, in alphabetical order.

These prints contain all payments issued, canceled, and refunded, in date order.

B

Accessing Batch PPH Payment Report Access the batch PPH print from Menu FAX250 according to this table.

Step	Menu or Screen	Action
1	FAX250	ENTER “3” or “4”, “Application Processing”, as applicable.
2	FAX09002	Enter the appropriate county on the Office Selection Menu, if applicable.
3	FAX07001	*--ENTER “11”, “PFC/DCP/Compliance”.--*
4	M00000	ENTER “10”, “Direct and Counter-Cyclical Program”.
5	MZYEAR	Enter the appropriate program year.
6	MZA000	ENTER “2”, “Direct Payment Processing”, or “3”, “Counter Cyclical Payment Processing”, as applicable.
7	MZAAP0 for direct and MZABP0 for counter-cyclical	ENTER “3”, “Reports”.
8	MZAAP3 for direct and MZABP3 for counter-cyclical	ENTER “1”, “Producer Payment History”.
9	MZAAP4 for direct and MZABP4 for counter-cyclical	ENTER: <ul style="list-style-type: none"> • “2”, “Batch Print Producer Payment History for ALL Farms”, to batch print all farms with a payment in the PPH file • “3”, “Batch Print Producer Payment History for ALL Producers”, to batch print all producers with a payment in the PPH file.

Continued on the next page

312 Batch Printing PPH (Continued)

C**Selecting Printer**

After accessing PPH batch print, Screen MZAAPRT2 for direct or Screen MZABPRT2 for counter-cyclical will be displayed. On Screen MZAAPRT2 for direct and Screen MZABPRT2 for counter-cyclical:

- enter the printer ID for the printer on which the PPH batch payment reports print
 - PRESS “Enter”.
-

D**Informational Screen**

After selecting the printer ID, Screen MZAAAA12 for direct or Screen MZABAA12 for counter-cyclical will be displayed. This screen is for informational purposes only.

Note: The batch print of the PPH payment report is evoked. Ensure that all printing is completed before changing the paper in the printer.

E**Warning**

The batch print may take a while to process. Do **not** cancel the job.

County Offices shall not process the farm and producer batch print at the same time. Allow 1 job to complete before starting another job.

313-350 (Reserved)

***--Part 12 Special Provisions for Transition From 2002 PFC**

351 PFC Payment Reduction From 2002 DCP Final Direct Payments

A

Statute

Pub. L. 107-171, Section 1107(b) provides if a producer receives all or any portion of the payment authorized for FY 2002 under PFC, the Secretary shall reduce the amount of the direct payment otherwise due the producer for the 2002 crop year by the amount of the FY 2002 payment received by the producer under PFC.

B

Determining Net PFC Payments

The net PFC payments for FY 2002 are calculated for the farm, producer, and crop according to the following.

- Accumulated PFC payments issued, plus
- Succession-in-interest reduction amounts, minus
- Succession-in-interest credit amounts, minus
- Accumulated receivables established.

Note: Canceled payment, succession, and receivable records are not included in this calculation.

Example 1: Producer A receives \$1,000 then Producer B succeeds to 100 percent of Producer’s A interest.

	PFC Payment Issued (+)	Succession Reduction (+)	Succession Credit (-)	Receivable Established (-)	Net PFC Payments
Producer A	\$1,000		\$1,000		\$0
Producer B		\$1,000			\$1,000

Example 2: Same as Example 1, except Producer A voluntarily refunded \$1,000 so Producer B could receive the PFC payment.

	PFC Payment Issued (+)	Succession Reduction (+)	Succession Credit (-)	Receivable Established (-)	Net PFC Payments
Producer A	\$1,000			\$1,000	\$0
Producer B	\$1,000				\$1,000

--*

Continued on the next page

***--351 PFC Payment Reduction From 2002 DCP Final Direct Payments (Continued)**

C

Calculating the DCP Direct Payment Reduction

2002 DCP direct final payments will be reduced by the amount of the PFC payment issued to the producer for the farm and crop. This table describes how the PFC payment reduction is computed.

Note: The 2002 DCP direct final payment software will determine the amount of the PFC payment reduction applicable. Reduction amounts are printed on the pending payment register, PPH, and CCC-509E.

Step	Action								
1	Calculate the 2002 DCP direct final payment according to paragraph 11 for the farm, producer, and crop.								
2	Determine the net PFC payments issued for the farm, producer, and crop according to subparagraph B.								
3	<p>Subtract the following.</p> <ul style="list-style-type: none"> • Calculated DCP direct final payment determined in step 1 • Net PFC payments determined in step 2. <table border="1" data-bbox="261 982 1468 1442"> <thead> <tr> <th data-bbox="261 982 548 1041">IF the result is...</th> <th data-bbox="548 982 1468 1041">THEN...</th> </tr> </thead> <tbody> <tr> <td data-bbox="261 1041 548 1213">greater than zero</td> <td data-bbox="548 1041 1468 1213"> <ul style="list-style-type: none"> • calculated DCP payment for the crop will be reduced by the net PFC payment for the crop • producer will receive the balance. </td> </tr> <tr> <td data-bbox="261 1213 548 1312">zero</td> <td data-bbox="548 1213 1468 1312"> <ul style="list-style-type: none"> • DCP will be reduced to zero for the crop • producer is not entitled to an additional DCP payment for the crop. </td> </tr> <tr> <td data-bbox="261 1312 548 1442">less than zero</td> <td data-bbox="548 1312 1468 1442"> <ul style="list-style-type: none"> • DCP will be reduced to zero for the crop • producer is not entitled to an additional DCP payment for the crop • PFC overpayment condition exists for the crop. </td> </tr> </tbody> </table>	IF the result is...	THEN...	greater than zero	<ul style="list-style-type: none"> • calculated DCP payment for the crop will be reduced by the net PFC payment for the crop • producer will receive the balance. 	zero	<ul style="list-style-type: none"> • DCP will be reduced to zero for the crop • producer is not entitled to an additional DCP payment for the crop. 	less than zero	<ul style="list-style-type: none"> • DCP will be reduced to zero for the crop • producer is not entitled to an additional DCP payment for the crop • PFC overpayment condition exists for the crop.
IF the result is...	THEN...								
greater than zero	<ul style="list-style-type: none"> • calculated DCP payment for the crop will be reduced by the net PFC payment for the crop • producer will receive the balance. 								
zero	<ul style="list-style-type: none"> • DCP will be reduced to zero for the crop • producer is not entitled to an additional DCP payment for the crop. 								
less than zero	<ul style="list-style-type: none"> • DCP will be reduced to zero for the crop • producer is not entitled to an additional DCP payment for the crop • PFC overpayment condition exists for the crop. 								

--*

Continued on the next page

***--351 PFC Payment Reduction From 2002 DCP Final Direct Payments (Continued)**

**D
Producers
Reaching
Payment
Limitation**

For 2002, the total PFC and DCP final direct payments are limited to \$40,000 per “person”. This table describes how the DCP final direct payments will be reduced due to payment limitation.

Note: For multi-county producers, a payment limitation allocation has been established for the 2002 DCP direct payments. When updating PLM amounts for 2002 DCP direct payment, the PLM amount shall not be updated to an amount less than the sum of the following:

- total 2002 DCP direct payments issued to the “person”
- total FY 2002 PFC payments issued to the “person”.

IF the net PFC payments are...	THEN additional 2002 DCP final payments...
less than the “person’s” 2002 DCP effective payment limitation for direct payments	can be issued to the “person”, not to exceed the effective payment limitation.
equal to or greater than the “person’s” 2002 DCP effective payment limitation for direct payments	cannot be issued to the “person”.

--*

***--352 FY 2002 PFC/DCP Transition Overpayments**

A**Introduction**

An FY 2002 PFC overpayment condition exists for the farm, producer, and crop if either of the following conditions exist:

- the calculated 2002 DCP final direct payment is less than the FY 2002 PFC payment issued for the farm, producer, and crop
 - an FY 2002 PFC payment was issued for a crop; however, that crop is not enrolled under DCP because of the base option that was elected by the owner or owners of the farm.
-

B**PFC/DCP
Transition
Overpayment
Software**

A special PFC overpayment process has been developed for the transition from PFC to DCP for 2002. This software functions in a manner similar to other PFC overpayment processes, except that overpayments are only computed for the conditions identified in subparagraph A.

C**Processing
PFC/DCP
Transition
Overpayments**

PFC/DCP transition overpayments shall be calculated for **all** farms at least once every 7 calendar days to ensure that:

- producers are timely notified of debts to CCC if the 2002 DCP final direct payment has already been issued
- payment reductions are established timely if the 2002 DCP final direct payment has not been issued.

County Offices shall continue to regularly compute PFC/DCP transition overpayments until the 2002 DCP direct payment software is disabled. If it has been 7 calendar days since the last "ALL" overpayment batch was processed, the message, "The overpayment file is more than 7 calendar days old. ALL overpayments must be run. Do you want to run an "ALL" overpayment cycle at this time? Enter 'Y' to run the all cycle or 'N' to end this process.", will be displayed.--*

Continued on the next page

***--352 FY 2002 PFC/DCP Transition Overpayments (Continued)**

**C
Processing
PFC/DCP
Transition
Overpayments
(Continued)**

Note: A validation has also been incorporated into the 2002 DCP direct payment software to ensure that PFC/DCP transition overpayments are computed timely. When users access the 2002 DCP direct payment software, the error message, "PFC/DCP transition overpayments must be computed at least every 7 calendar days.", will be displayed if an "ALL" overpayment batch has not been processed within the last 7 calendar days.

If this error message is received, overpayments may not be processed by a single producer or by randomly selected producers until this "ALL" batch has been completed.

**D
How
Overpayments
Are Computed**

Overpayments will be computed through the 2002 PFC/DCP transition overpayment software if the calculated 2002 DCP final direct payment is less than the FY 2002 PFC payment issued **for the farm, producer, and crop.**

2002 PFC/DCP transition overpayments are determined according to this table.

Step	Action	
1	The net PFC payments are accumulated for the applicable farm, producer, and crop.	
2	IF the applicable farm...	THEN...
	has a valid date in the "Enrollment Date" field on the DCP contract file	the gross 2002 DCP direct payment is computed for each producer and PFC program crop on the farm.
3	IF the PFC payment computed in step 1 for the farm, producer, and crop is...	THEN the...
	greater than the 2002 DCP direct payment calculated in step 2 for the farm, producer, and crop	<ul style="list-style-type: none"> • crop was overpaid on PFC for FY 2002 • message, "PFC Payment Issued Exceeds Calculated DCP Payment", will be printed on the overpayment register.
	less than or equal to the 2002 DCP direct payment calculated in step 2 for the farm, producer, and crop	crop is not overpaid on PFC for FY 2002.

--*

Continued on the next page

***--352 FY 2002 PFC/DCP Transition Overpayments (Continued)**

**E
Collecting
Overpayments**

County Offices shall:

- carefully review the overpayment register to verify that the amounts listed are correct according to subparagraph D
- correct the condition causing the overpayment to be listed in error, if the overpayment amount is not correct
- immediately transfer verified overpayment amounts to CRS
- immediately mail notification letters to producers with debts to CCC
- ensure that the 2002 DCP final direct payment is offset if the receivable is established with a 10-315 debt basis code.

Note: See subparagraph 353 B for a list of debt basis codes used for the PFC/DCP transition overpayment process.

Receivables that are established as payment reductions with a 10-315 debt basis code shall only be satisfied with offsets from 2002 DCP direct payments issued to the producer for the **specific** farm.

**F
Regular
FY 2002 PFC
Overpayments**

FY 2002 PFC overpayments will not be computed through the PFC/DCP transition overpayment process for program conditions, such as the following:

- payment limitation
- producer ineligibility determinations
- succession-in-interest.

Therefore, County Offices shall:

- continue to process FY 2002 PFC regular overpayments at least every 60 calendar days, according to 2-PF, until the software is disabled
 - take immediate action to transfer the PFC overpayment to CRS or correct the condition causing the overpayment to be listed.--*
-

***--353 Debt Basis Codes**

A

Introduction

The debt basis code is the code transferred to CRS that identifies the reason the receivable is being established. The system will default to the appropriate code coinciding with the message printed on the overpayment register.

For the 2002 PFC/DCP transition overpayment process, the displayed debt basis code cannot be changed.

B

Displaying Debt Basis Codes

The system will display the appropriate debt basis code on Screen MGCLSJ02 according to this table.

IF 2002 DCP final payments have...	THEN the debt basis code will be defaulted to...	AND the receivable shall be treated as a...	AND notifications letters will...
been issued to any producer, for any crop, on the farm	10-428	debt to CCC	be generated to the applicable producers according to 67-FI.
not been issued to any producer, for any crop, on the farm	10-315	payment reduction to be offset from the 2002 DCP final payment	not be generated for these receivables.

--*

***--354 Accessing the PFC/DCP Transition Overpayment Software**

**A
Accessing
Menu MZAH01**

All options for 2002 PFC/DCP transition overpayment processing are available on Overpayment Process for DCP Transition Menu MZAH01. Access Menu MZAH01 according to this table.

Step	Menu	Action
1	FAX250	ENTER "3" or "4", "Application Processing", as applicable.
2	FAX09002	If option 4 was taken on Menu FAX250, select the appropriate county.
3	FAX07001	ENTER "11", "PFC/DCP/Compliance".
4	M00000	ENTER "4", "Production Flexibility Program".
5	MGYEAR	ENTER "8", "2002 Program Year".
6	MGC000	ENTER "3", "Special Overpayment Process for DCP Transition".

**B
Example of
Menu MZAH01**

This is an example of Menu MZAH01.

```

COMMAND                                MZAH01                                E3
Overpayment Process for DCP Transition
-----
      1. Compute Overpayments
      2. Reprint Overpayment Register
      3. Select and Transfer Overpayments to Accounting
      4. Continue Suspended Overpayment Batch
      5. Cancel Overpayments

      20. Return to Application Primary Menu
      21. Return to Application Selection Screen
      22. Return to Office Selection Screen
      23. Return to Primary Selection Menu
      24. Sign off

Cmd3=Previous Menu

Enter option and press "Enter".
    
```

--*

***--355 Computing Overpayments**

A

Processing Overpayments County Offices shall follow the steps in this table to compute PFC/DCP transition overpayments.

Step	Action	Result
1	Access Menu MZAH01 according to paragraph 354.	
2	ENTER "1", "Compute Overpayments", and PRESS "Enter".	Screen MGCLPRT2 will be displayed.
3	Screen MCGLPRT2 allows the user to select the printer where the overpayment register should be sent after overpayments have been computed. <ul style="list-style-type: none"> • Enter the printer ID number. • PRESS "Enter". 	Screen MGCLAA01 will be displayed.
4	Screen MGCLAA01 provides users with several options for processing overpayments. Select either specific producers or all producers according to the following: <ul style="list-style-type: none"> • all farms • a specific farm • a range of farms • randomly selected farms. 	If payments are found on the PFC payment history file for any producer on any of the selected farms, the overpayment process will run for all producers on the selected farms.
5	After the overpayment computation process is completed: <ul style="list-style-type: none"> • Menu MZAH01 will be redisplayed • the overpayment register will be sent to the printer selected in step 3. 	

--*

***--356 Transferring Overpayment Amounts to CRS**

A

Action Required Before Establishing Receivables

Before any overpayment is transferred to CRS, County Offices shall verify that the overpayment amount listed on the overpayment register is correct.

If it is determined that the overpayment is **not** a legitimate overpayment, County Offices shall correct conditions causing the producer to be erroneously listed on the overpayment register to ensure that an erroneous overpayment is not inadvertently transferred to CRS.

B

Transferring Amounts to CRS

Once it has been determined that the overpayment amount is correct and that a receivable should be established, County Offices shall follow the steps in this table to transfer the overpayment to CRS.

Step	Action	Result	
1	Access Menu MZAH01 according to paragraph 354.		
2	<p>ENTER "3", "Select and Transfer Overpayments to Accounting", and PRESS "Enter".</p> <p>Note: The message, "The overpayment file needed to process this option is not on the system. Please take the option to "Compute Overpayments"", will be displayed if there are not any calculated overpayments on the overpayment file.</p>	Screen MGCLSI01 will be displayed.	
3	Screen MGCLSI01 allows users to select exactly which overpayments should be transferred to CRS. All producers with computed overpayments for farms selected in the last overpayment process will be displayed.		
	<p>IF the user wants to...</p> <p>continue with the transfer process</p>	<p>THEN...</p> <ul style="list-style-type: none"> ENTER "X" in the "SEL" column for all overpayments that are to be transferred to CRS PRESS "Cmd6" to process the selected records. 	Screen MGCLSI02 will be displayed for each overpayment amount selected for transfer to CRS.
	end the process	PRESS "Cmd7".	Menu MZAH01 will be redisplayed.

--*

Continued on the next page

***--356 Transferring Overpayment Amounts to CRS (Continued)**

**B
Transferring
Amounts to CRS
(Continued)**

Step	Action		Result	
4	Screen MGCLSJ02 will be displayed for each selected overpayment. Users have the option of: <ul style="list-style-type: none"> • skipping the overpayment without transferring it to CRS • transferring the calculated data to CRS, as is • adjusting data displayed for the overpayment before the data is transferred to CRS. 			
	IF the user wants to...	THEN...		
	<ul style="list-style-type: none"> • transfer the data to CRS, as it is displayed • adjust the data before transferring the overpayment to CRS 	<ul style="list-style-type: none"> • adjust the data according to paragraph 357, if necessary • PRESS “Enter” twice to display the next overpayment record. 	IF...	THEN...
			there are additional overpayment records that were selected on Screen MGCLSJ02	Screen MGCLSJ02 will be redisplayed each time “Enter” is pressed.
			all overpayment records have been processed	<ul style="list-style-type: none"> • PRESS “Cmd6” to transfer the overpayment records to CRS • Screen MGCLNX01 will be displayed.
	skip the displayed overpayment record	PRESS “Cmd2”.	Screen MGCLSJ02 will be redisplayed with data for the next overpayment record.	
	end the process without transferring any overpayments to CRS	PRESS “Cmd7”.	Menu MZAH01 will be redisplayed.	

--*

Continued on the next page

***--356 Transferring Overpayment Amounts to CRS (Continued)**

**B
Transferring
Amounts to CRS
(Continued)**

Step	Action	Result	
5	Screen MGCLNX01 will be displayed for the overpayments processed on Screen MGCLSJ02. Overpayments are sorted into the "B" and "O" overpayment batches.		
	On Screen MGCLNX01, do either of the following.		
	IF the user wants to...	THEN ENTER...	
	complete the overpayment transfer process for either of the payment batches	"Y" next to the overpayment batch to be processed. Note: The entire batch must be completed before the next payment batch can be processed.	The payables are passed through the accounting interface for processing. Complete the overpayment process and print the notification letter according to 67-FI.
suspend the overpayment batch for later processing	"N" next to any of the overpayment batches.	Menu MZAH01 will be redisplayed.	

--*

***--357 Overpayment Transfer Selection Screen MGCLSI01**

**A
Example of
Screen
MGCLSI01**

All overpayment records for the selected producers will be displayed on Screen MGCLSI01. Screen MGCLSI01 displays general data applicable to the overpayment, including the following:

- producer’s name, ID number, and ID type
- farm number
- crop name
- net overpayment amount.

Note: If a member of a joint operation is overpaid, the joint operation will be listed on Screen MGCLSI02. The overpayment data for the member will be displayed on Screen MGCLSI02.

This is an example of Screen MGCLSI01.

```

MGCLSI          205 B HARTLEY          SELECT          MGCLSI01
2002 Overpayments          Version: AB57 12-15-2002 12:52 TERM E3
-----
Enter an 'X' in the SEL column to select producer for overpayment processing

SEL Producer name          Farm          Producer ID          Crop          Overpayment
No                          and Type          Amount
- BYRD FARMS              6              75 1234567 E WHEAT          174
- SALEM FARMS             6              75 2345678 E WHEAT          174

          END OF LIST

Cmd6=Process Selected Records
Cmd7=End              Roll=Page          Enter=Continue
    
```

**B
Selecting
Overpayments
To Be
Transferred to
CRS**

Overpayment amounts computed for selected producers will be displayed on Screen MGCLSI01. Select each overpayment record that should be transferred to CRS by entering “X” in the “SEL” field.

Note: Select only overpayment records that have been verified. Do **not** select any overpayment record that should not be sent to CRS.

If there are more than 9 overpayment records for selected producers, use the roll keys to scroll through the producers displayed on Screen MGCLSI01 to “mark” the records that should be transferred. ENTER “X” in the “SEL” field next to each overpayment that should be transferred to CRS.

When all overpayments have been “marked”, PRESS “Cmd6” to continue the CRS transfer process.

Note: None of the data displayed on Screen MGCLSI01 can be modified.--*

***--358 Overpayment Transfer Confirmation Screen MGCLSJ02**

**A
Example of
Screen
MGCLSJ02**

After overpayments have been selected for transfer on Screen MGCLSI01, Screen MGCLSJ02 will be displayed for:

- each selected overpayment record
- members of joint operations.

County Offices shall PRESS “Enter” twice to confirm that the overpayment amount for the displayed farm, producer, and crop shall be transferred to CRS.

This is an example of Screen MGCLSJ02.

```

MGCLSJ          205 B HARTLEY          Selection  MGCLSJ02
2002 Overpayments          Version: 0001 12-15-2002 13:17 TERM E3
-----
Producer ID/Name  75 1234567 E  BYRD FARMS

Farm No.  6          Crop WHEAT  Basis Code 10428
Crop Amt. SL:          174

Overpayment Amt.:          174

Reason Code _ (See Help Text for valid codes)

Cmd7=End  Cmd6=End Process & Update Selected Records
Cmd2=Skip this Payment          Enter=Continue
    
```

**B
Adjusting
Overpayment
Amounts**

County Offices are:

- allowed to adjust the overpayment amount on Screen MGCLSJ02, if necessary, before transferring the overpayment to CRS

Important: If applicable, County Offices shall adjust overpayment data on Screen MGCLSJ02 before transferring the overpayment to CRS. The data cannot be adjusted after it is updated in CRS.

- not allowed to adjust any other data displayed on Screen MGCLSJ02, such as the debt basis code.

If the amount is not correct, the condition causing the incorrect amount to be computed shall be corrected in the system.--*

***--359 Canceling Overpayments**

A

Introduction

If it is discovered that an overpayment has been transferred to CRS erroneously, the overpayment cannot be canceled until subsequent transactions, such as collections applied to the receivable, have been canceled in CRS.

Note: See 67-FI for deleting transactions.

B

Steps to Cancel Overpayments

County Offices shall take extra caution to ensure that the correct overpayment is selected for cancellation by printing PPH according to 2-PF, 311.

If an error is determined, the overpayment shall be canceled by accessing option 5, "Cancel Overpayments", on Menu MZAH01 according to this table.

Step	Action	Result	
1	Access Menu MHAZO1 according to paragraph 354.		
2	ENTER "5", "Cancel Overpayments", and PRESS "Enter".	Screen MGCLAA02 will be displayed.	
3	Screen MGCLAA02 allows the user to select the producer with the overpayment to be canceled.		
	IF the user wants to...	THEN...	
	continue with the overpayment cancellation	<ul style="list-style-type: none"> enter the producer's last name or the last 4 digits of the producer's ID number PRESS "Enter". 	If there is a receivable record on the payment history file that matches the criteria entered, Screen MGCLRO02 will be displayed.
end processing without canceling the overpayment	PRESS "Cmd3".	Menu MZAH01 will be redisplayed.	
4	Screen MGCLRO02 provides users with information about the overpayment being canceled, including the following: <ul style="list-style-type: none"> producer's name and ID number and type farm number and crop net overpayment amount. 		
	IF the user wants to...	THEN, on Screen MGCLRO02...	Result
	cancel a displayed overpayment	<ul style="list-style-type: none"> ENTER "X" in the "SEL" field next to the overpayment for cancellation PRESS "Enter" to cancel the payable. 	<p>A verification message will be displayed on Screen MGCLRO02.</p> <p>If the selection is correct, PRESS "Enter" again and Screen MGCLAA02 will be redisplayed.</p>
end without canceling	PRESS "Cmd7".	Screen MGCLAA02 will be redisplayed.	

--*

***--360 Overpayment Register**

**A
About the
Overpayment
Register**

When PFC/DCP transition overpayments are computed, an overpayment register will be printed that includes information for each selected producer who is overpaid. This register informs County Offices:

- which producers on the farm are overpaid
- which crop is overpaid
- net amount of the overpayment.

The message, “PFC Payment Issued Exceeds Calculated DCP Payment”, will be printed on the overpayment register as the reason for the overpayment.

Note: An overpayment register will be printed even if there are no overpayments found for the selected farms. In this case, the message, “No Overpayment Records were found”, will be printed on the overpayment register.

**B
Reviewing the
Overpayment
Register**

County Offices shall:

- carefully review the overpayment register to verify that the amounts listed are correct according to subparagraph 352 D
 - correct conditions causing overpayments to be erroneously listed, if the amounts are not correct.
-

**C
DD Review**

DD’s shall review the overpayment register to ensure that County Offices are:

- running the overpayment process in a timely manner
 - transferring overpayments to CRS in a timely manner
 - correcting information in the system that creates an erroneous overpayment condition.
-

**D
Register
Retention**

County Offices shall retain copies of PFC/DCP transition overpayment registers for 1 year from the date the overpayment register is prepared.

**E
Reprinting the
Overpayment
Register**

The overpayment register for the most recent computations can be reprinted by accessing option 2, “Reprint Overpayment Register”, on Menu MZAH01.--*

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification (includes Appendix)		12, 16, 140, 227,
CCC-36	Assignment of Payment		12
CCC-37	Joint Payment Authorization		12
CCC-184	CCC Check		Text, Ex. 5
CCC-478	Production Flexibility Contract		127
CCC-502B	Farm Operating Plan for Payment Eligibility Review for a Joint Operation or General Partnership		Ex. 16
CCC-504	Worksheet to Blend Shares and Determine Percent of Cropland Factor		37
CCC-509	Direct and Counter-Cyclical Contract		Text, Ex. 5
CCC-509B	Direct and Counter-Cyclical Worksheet		98
CCC-509E	Direct and Counter-Cyclical Statement of Producer Earnings		96.5, 301, 302, 351
CCC-770 DCP	Direct and Counter-Cyclical Program Contract Checklist		12
CCC-770 Eligibility	Eligibility Checklist		12
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		127
FSA-578	Report of Acreage		12, 140, 222, 301

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

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
AGI	adjusted gross income	Text
CC	counter-cyclical	Text Ex. 13
CRS	common receivable system	Text
EFT	electronic funds transfer	Text
FAV	fruits and vegetables	Text, Ex. 5
PFC	production flexibility contract	Text
PPH	producer payment history	Text

Delegations of Authority

None

Menu and Screen Index

The following menus and screens are displayed in this handbook.

Menu or Screen	Title	Reference
MGCLSI01	Overpayment Transfer Selection Screen	357
MGCLSJ02	Overpayment Transfer Confirmation Screen	358
MZAAO004	DCP Informational Screen	224
MZAAOE01	2002 DCP Overpayments Screen	224
MZAAOE02	2002 Direct Overpayments Screen	224
MZAAOF01	2002 Direct Overpayments Screen	225
MZAAPA01	Farm Selection Screen	98
MZAAPN	Batch Check and Printing Control Menu	99
MZAAPS01	DCP Payments Screen	112
MZAAQB01	Cancel Selection Screen	112
MZAH01	Overpayment Process for DCP Transition Menu	354
MZAHOV03	2002 DCP Overpayments Screen	224

Locating the Handbook Needed for Payments

The instructions for making and completing payments are in many different handbooks. Use the following table as a guide to locating the handbooks needed to complete a payment.

Type of Payment			
Payment to a producer...	2-DCP	6-FI	Other
with a claim	X	X	64-FI
with a receivable	X	X	67-FI
who is a nonresident alien	X	X	58-FI
with an other agency claim	X	X	58-FI
with an assignment	X	X	63-FI
who is a joint payee	X	X	63-FI
with compensation for erroneous destruction	X		58-FI
with an incorrect ID	X		1-CM
who is refusing payment	X		
with FAV reduction	X		4-CP
who is a joint operation	X		2-PL
on a reconstituted farm	X		1-DCP
who has a cropland factor less than 1.000	X		1-PL
with graduated payment reductions	X		6-CP
who had a lost, stolen, or destroyed CCC-184	X		1-FI

Final Payment Checklist

This checklist is provided to County Offices as a tool to:

- ensure that all requisite tasks are completed to issue DCP payments
- expedite the DCP payment process.

Step	Action	Reference	Completed
1	Verify download of crop data table.	1-CM	
2	Verify that all producers on the farm have a certified AD-1026 on file.	6-CP	
3	*--Ensure that all eligibility information has been updated.	2-DCP, 2-PL, 3-PL--*	
4	Verify that the flags for claims, receivables, other agency claims, assignments, joint payees, nonresident aliens, and bankruptcies are set correctly by comparing to actual files.		
5	Ensure that all CCC-36's and CCC-37's are filed and entered in the system.	63-FI	
6	For multi-county producers, check multiple county file. If necessary, change effective payment limitation.	2-PL, *--3-PL--*	
7	Ensure that successors-in-interest have been added to CCC-509.	1-DCP	
8	Ensure that "person", "actively engaged in farming", "foreign person", and "cash rent tenant" determinations are completed according to 1-PL.	1-PL	
9	Ensure that DCP acre-for-acre payment reductions have been recorded through the automated payment reduction software.	4-CP	
10	Verify that the AGI flag has been updated, starting with 2003 processing.	2-PL, *--3-PL--*	
11	Ensure that the overpayment register was run.	2-DCP	
12	Issue final payments.	2-DCP	

Direct Payment Rates

A Background

Direct payment percentages are as follows:

- 2002, final payment rate
- 2003 through 2005, advance payments issued at 50 percent of the payment rate
- 2006, advance payment issued at:
 - 50 percent of the payment rate if CCC-509 signature date was February 8, 2006, or before
 - 40 percent of the payment rate if CCC-509 signature date was after February 8, 2006
- 2007, advance payments issued at 22 percent of the payment rate.

--B 2002 Through 2006 Payment Rates--

The following provides direct payment rates for 2002 through 2006.

Crop	Payment Rate	Advance Payment Rate at 50 Percent	Advance Payment Rate at 40 Percent
Wheat (bu.)	\$0.52	\$0.26	\$0.208
Corn (bu.)	\$0.28	\$0.14	\$0.112
Grain Sorghum (bu.)	\$0.35	\$0.175	\$0.14
Barley (bu.)	\$0.24	\$0.12	\$0.096
Oats (bu.)	\$0.024	\$0.012	\$0.0096
Upland Cotton (lbs.)	\$0.0667	\$0.03335	\$0.02668
Rice (lbs.)	\$0.0235	\$0.01175	\$0.0094
Soybeans (bu.)	\$0.44	\$0.22	\$0.02668
Other Oilseeds (lbs.)	\$0.0080	\$0.0040	\$0.0032
Peanuts (lbs.)	\$0.018	\$0.009	\$0.0072

Direct Payment Rates (Continued)

***--C 2007 and 2008 Payment Rates**

The following provides direct payment rates for 2007 and 2008.--*

Crop	Payment Rate	Advance Payment Rate at 22 Percent
Wheat (bu.)	\$0.52	\$0.1144
Corn (bu.)	\$0.28	\$0.0616
Grain Sorghum (bu.)	\$0.35	\$0.077
Barley (bu.)	\$0.24	\$0.0528
Oats (bu.)	\$0.024	\$0.00528
Upland Cotton (lbs.)	\$0.0667	\$0.014674
Rice (lbs.)	\$0.0235	\$0.00517
Soybeans (bu.)	\$0.44	\$0.0968
Other Oilseeds (lbs.)	\$0.0080	\$0.00176
Peanuts (lbs.)	\$0.018	\$0.00396

CC Rates

A Background

CC payment rates are determined according to marketing rates for program crops.

Note: Rates in these tables used for payment are shown in **bold**. Rates will be updated when applicable.

B 2002 Rates

This table provides 2002 advance and final CC rates.

Crop	Target Price	100 Percent CC Payment Rate (as of 2/1/03)	35 Percent CC Payment Rate	70 Percent CC Payment Rate
Wheat (bu.)	\$3.86	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Corn (bu.)	\$2.60	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Grain Sorghum (bu.)	\$2.54	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Barley (bu.)	\$2.21	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Oats (bu.)	\$1.40	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Upland Cotton (lbs.)	\$0.7240	\$000.13730000	\$000.04810000	\$000.09610000
Rice (lbs.)	*--\$0.1050--*	\$000.01650000	\$000.00580000	\$000.01160000
Soybeans (bu.)	\$5.80	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Other Oilseeds (lbs.)	\$0.0980	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Peanuts (lbs.)	\$0.2475	\$000.0520000	\$000.01820000	\$000.03640000

C 2003 Rates

This table provides 2003 advance and final CC rates.

Crop	Target Price	100 Percent CC Payment Rate	35 Percent CC Payment Rate	70 Percent CC Payment Rate
Wheat (bu.)	\$3.86	\$0.0 (No Payment)	\$000.031500	\$0.0 (No Payment)
Corn (bu.)	\$2.60	\$0.0 (No Payment)	*--\$000.07700--*	\$0.0 (No Payment)
Grain Sorghum (bu.)	\$2.54	\$0.0 (No Payment)	\$000.014000	\$0.0 (No Payment)
Barley (bu.)	\$2.21	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Oats (bu.)	\$1.40	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Upland Cotton (lbs.)	\$0.7240	\$000.039300	\$000.020100	\$0.0 (No Payment)
Rice (lbs.)	*--\$0.1050--*	\$000.000700	\$000.005775	\$000.006300
Soybeans (bu.)	\$5.80	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Other Oilseeds (lbs.)	\$0.0980	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Peanuts (lbs.)	\$0.2475	\$000.036500	\$000.018200	\$000.025900

CC Rates (Continued)

D 2004 Rates

This table provides 2004 advance and final CC rates.

Crop	Target Price	100 Percent CC Payment Rate	35 Percent CC Payment Rate	70 Percent CC Payment Rate
Wheat (bu.)	\$3.92	\$0.0 (No Payment)	\$000.035000	*--\$000.01400--*
Corn (bu.)	\$2.63	\$000.290000	\$000.140000	\$000.280000
Grain Sorghum (bu.)	\$2.57	\$000.270000	\$000.094500	\$000.189000
Barley (bu.)	\$2.24	\$000.150000	\$000.052500	\$000.105000
Oats (bu.)	\$1.44	\$0.0 (No Payment)	\$000.005600	\$000.011200
Upland Cotton (lbs.)	\$0.7240	\$000.137300	\$000.048100	\$000.096100
Rice (lbs.)	*--\$0.1050--*	\$000.008200	\$000.003150	\$000.005250
Soybeans (bu.)	\$5.80	\$0.0 (No Payment)	\$000.091000	\$000.182000
Other Oilseeds (lbs.)	*--\$0.1010--*	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Peanuts (lbs.)	\$0.2475	\$000.040500	\$000.012775	\$000.020650

***--E 2005 Rates**

This table provides 2005 advance and final CC rates.

Crop	Target Price	100 Percent CC Payment Rate	35 Percent CC Payment Rate	70 Percent CC Payment Rate
Wheat (bu.)	\$3.92	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Corn (bu.)	\$2.63	\$000.350000	\$000.140000	\$000.280000
Grain Sorghum (bu.)	\$2.57	\$000.270000	\$000.094500	\$000.189000
Barley (bu.)	\$2.24	\$000.130000	\$000.052500	\$000.105000
Oats (bu.)	\$1.44	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Upland Cotton (lbs.)	\$0.7240	\$000.137300	\$000.048100	\$000.096100
Rice (lbs.)	\$0.1050	\$000.005000	\$000.001925	\$000.002450
Soybeans (bu.)	\$5.80	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Other Oilseeds (lbs.)	\$0.1010	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Peanuts (lbs.)	\$0.2475	\$000.052000	\$000.018200	\$000.036400

--*

CC Rates (Continued)

*--F 2006 Rates

This table provides 2006 advance and final CC rates.

Crop	Target Price	100 Percent CC Payment Rate	35 Percent CC Payment Rate	70 Percent CC Payment Rate
Wheat (bu.)	\$3.92	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Corn (bu.)	\$2.63	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Grain Sorghum (bu.)	\$2.57	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Barley (bu.)	\$2.24	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Oats (bu.)	\$1.44	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Upland Cotton (lbs.)	\$0.7240	\$000.137300	\$000.048100	\$000.096100
Rice (lbs.)	\$0.1050	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Soybeans (bu.)	\$5.80	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Other Oilseeds (lbs.)	\$0.1010	\$0.0 (No Payment)	\$0.0 (No Payment)	\$0.0 (No Payment)
Peanuts (lbs.)	\$0.2475	\$000.052000	\$000.015225	\$000.036400

G 2007 Rates

This table provides 2007 advance and final CC rates.

Crop	Target Price	100 Percent CC Payment Rate	40 Percent CC Payment Rate
Wheat (bu.)	\$3.92	\$0.0 (No Payment)	\$0.0 (No Payment)
Corn (bu.)	\$2.63	\$0.0 (No Payment)	\$0.0 (No Payment)
Grain Sorghum (bu.)	\$2.57	\$0.0 (No Payment)	\$0.0 (No Payment)
Barley (bu.)	\$2.24	\$0.0 (No Payment)	\$0.0 (No Payment)
Oats (bu.)	\$1.44	\$0.0 (No Payment)	\$0.0 (No Payment)
Upland Cotton (lbs.)	\$0.7240	\$000.064300	\$000.030900
Rice (lbs.)	\$0.1050	\$0.0 (No Payment)	\$0.0 (No Payment)
Soybeans (bu.)	\$5.80	\$0.0 (No Payment)	\$0.0 (No Payment)
Other Oilseeds (lbs.)	\$0.1010	\$0.0 (No Payment)	\$0.0 (No Payment)
Peanuts (lbs.)	\$0.2475	\$000.024500	\$000.003800

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CC Rates (Continued)

*--H 2008 Rates

This table provides 2007 advance and final CC rates.

Crop	Target Price	100 Percent CC Payment Rate	40 Percent CC Payment Rate
Wheat (bu.)	\$3.92	\$0.0 (No Payment)	\$0.0 (No Payment)
Corn (bu.)	\$2.63	\$0.0 (No Payment)	\$0.0 (No Payment)
Grain Sorghum (bu.)	\$2.57	\$0.0 (No Payment)	\$0.0 (No Payment)
Barley (bu.)	\$2.24	\$0.0 (No Payment)	\$0.0 (No Payment)
Oats (bu.)	\$1.44	\$0.0 (No Payment)	\$0.0 (No Payment)
Upland Cotton (lbs.)	\$0.7125	\$0.1258	\$0.0503
Rice (lbs.)	\$0.1050	\$0.0 (No Payment)	\$0.0 (No Payment)
Soybeans (bu.)	\$5.80	\$0.0 (No Payment)	\$0.0 (No Payment)
Other Oilseeds (lbs.)	\$0.1010	\$0.0 (No Payment)	\$0.0 (No Payment)
Peanuts (lbs.)	\$0.2475	\$0.0 (No Payment)	\$0.0 (No Payment)

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Recording Joint Ventures

A

Background

1-PL provides that for a joint venture to be recorded as a joint venture and receive payments, the joint venture is required to have an employer ID number.

This exhibit describes:

- provisions for joint ventures that do not have permanent employer ID numbers
 - procedures for recording joint ventures with permanent employer ID numbers into the entity file.
-

B

Joint Ventures Without Permanent ID Numbers

The following provisions apply to joint ventures that do not have a permanent employer ID number.

- Record the joint venture in the name and address file using a computer-assigned temporary ID number.
- Record the joint venture **members** as the owner, operator, or other producer on the farm, according to 3-CM.
- The contract, applications, and other program forms must be signed by the **members**.
- Record **members** as individuals in the eligibility file for payment purposes.
- Issue all payments * * * to the **members**; not to the joint operation.

* * *

- Do **not** record the joint venture in the entity file.
 - Make eligibility determinations for the **members**.
-

Continued on the next page

Recording Joint Ventures (Continued)

C

Recording Joint Ventures With Permanent ID Numbers

Follow the procedure in this table to record a joint venture with a permanent ID number into the entity file.

Note: 2-PL provides instructions for creating an entity record.

IF the joint venture...	THEN...
has the same shares for all crops and programs according to 2-PL	enter: <ul style="list-style-type: none"> • employer ID number to select the entity on Screen MAB44001 • “All” on Screen MAB44005.
shares vary by farm and program crops for the members of the joint venture	create a record in the name and address file representing each farm and crop according to 2-PL. <ul style="list-style-type: none"> • Enter the “business name” that describes the farm and crop for which the temporary ID is assigned. <p>Example: “Olson Farm-Barley” or “Nelson Farm-Barley”.</p> <ul style="list-style-type: none"> • Keep track of the temporary ID number assigned for each farm and crop for recording into the entity file.
	record the shares in the entity file according to 2-PL. Enter: <ul style="list-style-type: none"> • temporary ID number for the crop assigned on Screen MAB44001 • effective date from CCC-502B on Screen MAB44002 • applicable crop or program on Screen MAB44005 • joint venture permanent ID number in the “PID” field on Screen MAB44101 • ID number or name for member being added on Screen MAB44104 • member’s “Actual Share” according to CCC-502B on Screen MAB45001 • “Liability Flag” on Screen MAB45001 according to the following: <ul style="list-style-type: none"> • “Y” if member is liable for all actions • “N” if member has limited liability • “Permitted Flag” as “Y”, “N”, or “Blank” on Screen MAB45001.