

FSA
HANDBOOK

Dairy Margin Coverage Program Automation

To access the transmittal page click on the short link

For State and County Offices

SHORT REFERENCE

2-DMC

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

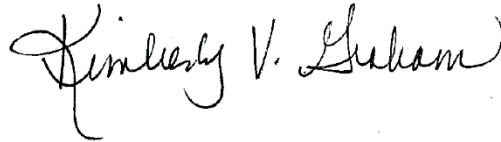
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Automation for the Dairy Margin Coverage
Program Automation
2-DMC**

Amendment 1

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reason for Issuance

This handbook has been issued to provide automation instructions and procedures for DMC.

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Part 1 General Information

1 Basic Provisions

A Purpose

This handbook contains instructions for using web-based software to administer the DMC program.

B Authority and Responsibilities

PDD has the authority and responsibility for the instructions in this handbook. PSD has the authority and responsibility for policy in 1-DMC.

C Related FSA Handbooks

The following FSA handbooks are related to the DMC program.

IF the area of concern is about...	THEN see...
appeals	1-APP.
assignments and joint payments	63-FI.
common payment process	9-CM.
foreign person provisions	5-PL.
HELC and/or WC provisions	6-CP.
issuing payments	1-FI.
misaction, misinformation, or equitable relief, scheme, device or failure to fully comply	7-CP.
DMC program policy and procedure	1-DMC.
managing FSA and CCC Debts, Receivables, and Claims	58-FI.
prompt payment provisions or foreign person tax withholding	61-FI.
reporting to IRS	62-FI.
signatures, estates, trusts, minors, or powers of attorney, registers, or controlled substance violations	1-CM.
web-based eligibility records	3-PL.

2 Responsibilities

A Background

The responsibilities described in this paragraph are in addition to the responsibilities in 1-DMC.

B Office Responsibilities

The following table describes the responsibilities of each office for DMC program activity.

Office	Responsibilities
PDD	Implement web-based processes to support DMC functions in State and County Offices. Provide procedural assistance to State Offices on data entry requirements and software operations.
State Offices	Provide application training to County Offices. Provide procedural assistance to County Offices on data entry requirements and software operations.
KC-ITSD	Develops software and provides technical assistance to PDD.

3-10 (Reserved)

Part 2 DMC Automated System

11 Accessing the DMC System

A Overview

All DMC functions:

- are within the web-based software currently used to process DMC production history, contract and annual coverage election, collection of administrative fees and premiums
- can only be updated by FSA employees with eAuthentication Level II certification.

See 1-DMC for DMC policy and provisions.

B Accessing the DMC System

This table provides steps to access the DMC System.

Step	Action
1	Access the FSA Intranet, FSA Applications Page at http://fsaintranet.sc.egov.usda.gov/fsa/applications.asp .
2	Under “FSA Applications”, “Applications Directory”, CLICK “ D-F ”.
3	CLICK “ Dairy Margin Coverage (DMC) ”.
4	On eAuthentication Login Page, CLICK “ Login With LincPass (PIV) ” or enter user ID and password and CLICK “ Login ”.
5	The DMC Main Menu Page will be displayed.

Note: Internet Explorer shall be used when accessing DMC.

12 DMC Home Page

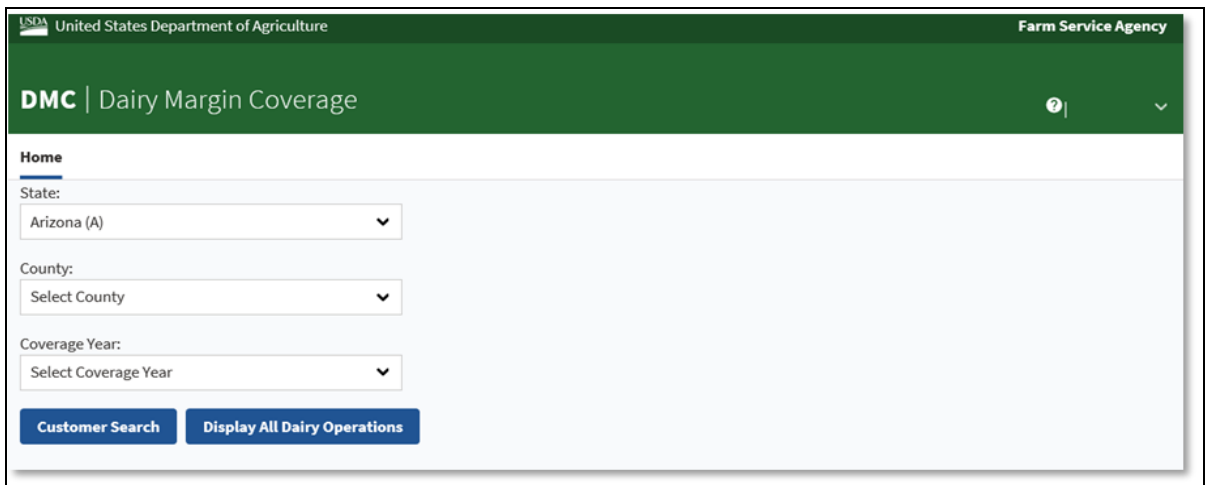
A Introduction

The DMC Main Menu Page allows users to select the applicable State, county, and coverage year. The system will default to the user’s assigned State and county. If the user is assigned to multiple County Offices, the software will default to the State/county with the lowest State and county code first.

Once the user has selected the State, county, and coverage year, the software will retain these values and only reset once the user signs out of the system or if the user selects another combination of State, county, and coverage year.

B Example of DMC Home Page

The following is an example of the DMC Main Menu.



12 DMC Home Page (Continued)

C DMC Home Page Selection Criteria

The following table provides the DMC Home Page selection criteria.

Field	Description/Action
State	Users associated with more than one State must select the desired State from a drop-down menu.
County	Users associated with more than one county must select the desired county from a drop-down menu.
Coverage Year	Users must select the applicable coverage year.

D Page Options

Users will select an option according to the following table.

Option	Action
Customer Search	Users can select this option to search for a specific dairy operation. Choosing this option will initiate a SCIMS search.
Display All Dairy Operations	If this option is selected, all dairy operations in the selected State, county, and coverage year will be displayed.

12 DMC Home Page (Continued)

E DMC Home Page Error Messages

The following provides a list of error messages that may be displayed on the DMC Home Page.

Message	Reason for Message	Corrective Action
"State is required."	State Office was not selected from the drop-down list.	Select the State Office from the drop-down list.
"County is required."	County Office was not selected from the drop-down list.	Select the County Office from the drop-down list.
"Coverage Year is required."	Coverage Year was not selected from the drop-down list.	Select the coverage year from the drop-down list.

13 Selecting Dairy Operation

A Overview

After the user selects the State, county, coverage year, and search option, the Contract Search Results Page will be displayed. From this page, users have the option of navigating to the various options available for creating and maintaining dairy operation information.

B Example of Contracts Search Results Page

Following is an example of the Contracts Search Results Page.

DMC | Dairy Margin Coverage

Home Production History **Contracts** Collections Maintenance

Coverage Year: 2019 State: Florida (12) County: Clay (019)

Contracts Search Results

Search Results

Select	Dairy Operation	Dairy Operation Number	Farm Number	Tract Number	Established Production History (lbs)	Contract status	Contract End Date
<input type="radio"/>	DMC Dairy 123	123729203	197	273	25,000		
<input type="radio"/>	DMC Dairy 456	123729194	128	189	50,000		
<input type="radio"/>	DMC Dairy 789	123728868	2	2	13,750		
<input type="radio"/>	DMC Dairy Partnership	123728809	143	204	520,000		
<input type="radio"/>	Doe, John	123684288	162	231	207,350		

Create Contract View CCC-801

Note: The Contract Search Results Page is the default view.

13 Selecting Dairy Operation (Continued)

C Top Navigation Bar

The top navigation bar is displayed on all screens within the DMC System. This table provides an explanation of the links in the top navigation bar.

Option	Explanation
Home	The DMC Main Menu will be displayed where users can change the State, county, and/or coverage year.
Production History	Navigates the user to the Production History Search Results Page.
Contracts	Navigates the user to the Contracts Search Results Page.
Collections	Navigates the user to the Collections Search Results Page.
Maintenance	Provides the following options: <ul style="list-style-type: none"> • “Approve Contracts”, which provides the option for recording the contract approval for multiple dairy operations • “Review Required”, which provides the option for identifying dairy operations that are no longer associated with a valid farm and/or tract.

D Contract Screen Search Results Information

The following provides information about the Contracts Screen, “Search Results” section.

Field/Button	Description
Coverage Year	C Coverage year selected from the DMC Home Page.
State	State Office selected from the DMC Home Page.
County	County Office selected from the DMC Home Page.
Select	Allows the user to select the dairy operation for which action will be taken.
Dairy Operation	Business name for entities or last name, first name for individuals. Common customer name from SCIMS for the dairy operation.
Dairy Operation Number	Dairy operation number assigned when the production history COC determination was completed.
Farm	Farm number associated with the established production record for the dairy operation.
Tract	Tract number associated with the established production history record for the dairy operation.
Established Production History	Established production history for the dairy operation.

13 Selecting Dairy Operation (Continued)

D Contract Screen Search Results Information (Continued)

Field/Button	Description	
Contract Status	Indicator	Description
	Blank	Contract has not been entered for the dairy operation.
	Initiated	Contract has been started; however, producer signatures have not been recorded.
	Producer Certified	Contract and annual coverage election information has been entered and at least one producer signature(s) has been recorded; however, COC determination has not been recorded.
	Approved	Contract and annual coverage election information has been entered, producer signatures have been recorded for all producers required to sign the CCC-801, and the COC determination of “approved” has been recorded.
	Disapproved	Contract and annual coverage election information has been entered, producer signatures have been recorded for all producers required to sign the CCC-801, and the COC determination of “Disapproved” has been recorded.
Contract End Date	The contract end date is defaulted to 12/31 of the coverage year. When a new version of the contract has been created, the contract end date defaults to the day before the last producer signature of the new version.	

13 Selecting Dairy Operation (Continued)

E Page Options

The following provides information about the page options on the Contracts Screen, “Search Results” section.

Option	Description
New Contract	<p>Taking this option will initiate a new contract for the selected dairy operation. The General Information Page will be displayed.</p> <p>Note: Only 1 contract is allowed for an operation and once the contract is in initiated status, this option is no longer applicable.</p>
Edit Contract	<p>Users can take this option if the contract is in “Initiated” or “Producer Certified” status. All fields on the contract, excluding start and end date, are available for edit under this option.</p> <p>The General Information Page will be displayed.</p> <p>Note: This option is only displayed if there are dairy operations with a status of at least “Initiated” recorded in the “Contract Status” field.</p> <p>See Section 2 for additional information on recording contract revisions.</p>
Revise Producer	<p>User can take this option once the contract is in “Approved” status. A new version of the contract is created and only fields applicable to revising the producer are available for edit.</p> <p>The Producer Certification Page will be displayed.</p> <p>See Section 2 for additional information on recording contract revisions.</p> <p>Note: This option will only be displayed if there are dairy operations with a status of at “Approved” recorded in the “Contract Status” field.</p>

13 Selecting Dairy Operation (Continued)

E Page Options (Continued)

Option	Description
Record Signatures	<p>Selecting this option allows users to enter the producer signature date and the COC determination and COC determination date.</p> <p>The Producer Certification Page will be displayed.</p> <p>Note: This option will only be displayed if there are dairy operations with a status of at least “Initiated” recorded in the “Contract Status” field.</p> <p>See Section 2 for additional information on recording contract revisions.</p>
View CCC-801	<p>CCC-801 for the selected dairy operation will be displayed and available for printing.</p>
Delete Revision	<p>Only applicable if a contract has been revised.</p> <p>Note: Only displayed if there are dairy operations with a status of at least “Initiated” recorded in the “Contract Status” field.</p>

14-20 (Reserved)

Part 3 (Reserved)

21-70 (Reserved)

Part 4 Creating and Maintaining Contract

Section 1 Recording Contract Information

71 Recording Contract Information

A Basic Information

Contract and annual coverage election shall be recorded for dairy operations that choose to participate in DMC.

Dairy operations that:

- do not elect to lock-in coverage, are not required to enroll and participate annually for the duration of DMC
- register for DMC and elect to lock-in coverage, are required to register in subsequent years during the registration coverage election period at the same election level for the duration of DMC.

See 1-DMC for DMC registration and annual coverage election policy and provision.

71 Recording Contract Information (Continued)

B Recording DMC Contract

Following is a step by step guide to recording a contract in the DMC software.

Access the Contract Search Results Page according to paragraph 12. On the Contract Search Results Page, perform the following steps to record a contract for a selected dairy operation.

Step	Action
1	On the Contract Search Results Page, select the applicable dairy operation.
2	Scroll to the bottom of the page or on your keyboard hit “End” to reach the bottom of the page, CLICK “Create Contract”.
3	<p>On the General Information Page, perform the following actions:</p> <ul style="list-style-type: none"> • select “Yes” or “No” to whether the dairy operation is currently producing and commercially marketing milk • enter the 2014-2017 net premium credit amount from item 15B on CCC-785, if applicable • CLICK “Continue” to proceed.
4	<p>On the Coverage Options Page, perform the following actions:</p> <ul style="list-style-type: none"> • select: <ul style="list-style-type: none"> • the applicable coverage percentage from the drop-down menu • the desired coverage level for Tier 1 • the desired coverage level for Tier 2, if applicable • “Yes” or “No” to whether the dairy operation is electing to lock in coverage through 2023 • CLICK “Continue” to proceed.

71 Recording Contract Information (Continued)

B Recording DMC Contract (Contract)

Step	Action
5	<p>On the Producer Certification Page, perform the following actions:</p> <ul style="list-style-type: none"> • select one of the following: <ul style="list-style-type: none"> • “Add Dairy Operation” as a producer to select the current dairy operation • “Add Producer” to initiate a SCIMS search to select a producer • use the calendar icon to select the date or enter the applicable date for when the producer filed the application • enter the applicable share of the dairy operation for each producer listed • select <ul style="list-style-type: none"> • “Yes” or “No” to indicate if the producer meets the commensurate requirements • “Yes” or “No” to if the producer is participating in DMC <p>Note: Defaulted to “Yes”.</p> • “Yes” or “No” to if the producer is refusing payment <p>Note: Defaulted to “No”.</p> • the producer that is the point of contact for the dairy operation • “Yes” or “No” to whether the dairy operation qualifies for a waiver of the administrative fee <p>• CLICK “Continue” to proceed.</p>

71 Recording Contract Information (Continued)

B Recording DMC Contract (Continued)

Step	Action
6	<p>On the Contract Collection Page, the user is able to enter a remittance or proceed without entering a remittance. To enter a remittance, under “Remittance Details”:</p> <ul style="list-style-type: none"> • verify that the correct State and county are displayed • select the applicable Remittance Office from the drop-down menu • select the remitter by clicking: <ul style="list-style-type: none"> • “Select Dairy Operation”, to add the dairy operation as the remitter • “Select From SCIMS”, to initiate a SCIMS search to select the remitter. <p>Under “Payment Details”:</p> <ul style="list-style-type: none"> • select the remittance type from the drop-down menu • enter the “Check/Item Number” • select the “Check/Item Date” • enter the “Remittance Amount” • enter the amount of the remittance to apply to the DMC contract • CLICK “Submit Remittance”.
7	<p>Once the remittance has been successfully submitted, CLICK “Continue” to proceed.</p>
8	<p>The Review Validations and Errors Page will be displayed.</p>
9	<p>Review and correct any errors listed.</p>
10	<p>CLICK “Continue”.</p>
11	<p>On the COC Action Page, select the COC determination:</p> <ul style="list-style-type: none"> • CLICK “Approve”. • CLICK “Disapprove”. <p>Once the COC determination has been entered, the user must enter the “COC Determination Date”.</p> <p>CLICK “Save and Continue”.</p>

72 Creating Contract for DMC Annual Election Coverage

A Introduction

Contract and annual coverage election shall be recorded yearly for dairy operations that choose to participate in DMC including those that elected to lock-in coverage.

After the user has selected the dairy operation on the Contract Search Results Page, the General Information Page will be displayed.

B Example of General Information Screen

Following is an example of the General Information Screen.

Home Production History **Contracts** Collections Maintenance ▾

General Information Coverage Producer Remittance Determination

General Information

Coverage Year: **2019** State: **Florida (12)** County: **Clay (019)**

Dairy Operation: **DMC Dairy LLC** Dairy Operation Number: **123729203** Production History: **25,000 lbs**

Does the dairy operation currently produce and commercially market milk? Yes No

Enter the 2014-2017 premium credit amount from form CCC-785:

1 of 5 Steps

[Back](#) [Cancel](#) [Continue](#)

72 Creating Contract for DMC Annual Election Coverage (Continued)

C Field Description and Actions Information on the General Information Screen

The following table provides the field descriptions and actions for the General Information Screen.

Field	Description	Action
Does the dairy operation currently produce and commercially market milk?	Available options for selection are: <ul style="list-style-type: none"> • “Yes” indicating the dairy operation is currently commercially marketing milk. • “No” indicating the dairy operation is not currently marketing milk. 	Select the applicable response for the dairy operation. Reminder: Dairy Operations that commercially marketed milk at any time in 2019 are eligible to apply for DMC and earn potential payments. for 2019 only , “Yes” must be selected if the dairy operation was commercially marketing milk at any point of 2019 but are now dissolved.
Enter the 2014-2017 premium credit amount from CCC-785.	This field is only applicable if the dairy operation elected the “Credit” option on CCC-785.	Enter the amount from CCC-785, item 15B.

72 **Creating Contract for DMC Annual Election Coverage (Continued)**

D Page Options

The following table provides the page options.

Option	Action
Back	Returns user to the Contract Search Results Screen.
Cancel	Returns user to the Contract Search Results Screen.
Continue	Continues to the Coverage Option Screen.

E General Information Screen Error Messages

The following provides a list of error messages that may be displayed on the General Information Page.

Message	Reason for Message	Corrective Action
“Response must be provided to indicate if the dairy operation currently produces and commercially markets milk.”	“Yes” or “No” was not selected for the commercially marketing milk question.	Select “Yes” or “No” to the applicable question.
“Premium Credit Amount must be entered in dollars and cents.”	Premium Credit was not entered in a valid format.	Enter the Premium Credit in dollars and cents format.

73 Contract Coverage Level Elections

A Introduction

Dairy Operations are required to select their coverage level threshold and percentages yearly unless the lock-in option is elected.

B Example of Coverage Options Screen

The following is an example of the Coverage Options Screen.

Home Production History **Contracts** Collections Maintenance ▾

General Information Coverage Producer Remittance Determination

Coverage Options

Coverage Year: **2019** State: **Florida (12)** County: **Clay (019)**
Dairy Operation: **DMC Dairy LLC** Dairy Operation Number: **123728909** Production History: **520,000 lbs**

Coverage Percentage: 95% ▾

Contract Start Date: 01/01/2019

Contract End Date: 12/31/2019

Is the dairy operation electing to lock in coverage through December 31, 2023?
 Yes No

Total Calculated Premium
\$741.00

Coverage Level	Tier 1 - 494,000
<input type="radio"/> \$4.00	\$0.00
<input type="radio"/> \$4.50	\$12.35
<input type="radio"/> \$5.00	\$24.70
<input type="radio"/> \$5.50	\$148.20
<input type="radio"/> \$6.00	\$247.00
<input type="radio"/> \$6.50	\$345.80
<input type="radio"/> \$7.00	\$395.20
<input type="radio"/> \$7.50	\$444.60
<input type="radio"/> \$8.00	\$494.00
<input type="radio"/> \$8.50	\$518.70
<input type="radio"/> \$9.00	\$543.40
<input checked="" type="radio"/> \$9.50	\$741.00

Coverage Level	Tier 2 - 0
<input type="radio"/> \$4.00	\$0.00
<input type="radio"/> \$4.50	\$0.00
<input type="radio"/> \$5.00	\$0.00
<input type="radio"/> \$5.50	\$0.00
<input type="radio"/> \$6.00	\$0.00
<input type="radio"/> \$6.50	\$0.00
<input type="radio"/> \$7.00	\$0.00
<input type="radio"/> \$7.50	\$0.00
<input type="radio"/> \$8.00	\$0.00

2 of 5 Steps

Back Cancel Continue

73 Contract Coverage Level Elections (Continued)

C Field Descriptions and Actions

The following table provides the field descriptions and actions for the Coverage Options Page.

Field	Description	Action
Coverage Percentage	Drop-down list to select the coverage level percentage.	Select the applicable coverage percentage elected by the dairy operation.
Contract Start Date	Defaulted to the beginning of the coverage year. This is set by the system and cannot be changed.	
Contract End Date	Defaulted to the end of the coverage year. This is set by the system and cannot be changed.	
Is the dairy operation electing to lock in coverage through December 31, 2023?	<p>Dairy operations have the option to lock in coverage through December 21, 2023.</p> <p>Available options for selection are:</p> <ul style="list-style-type: none"> • “Yes” indicating the dairy operation elects to lock in coverage. • “No” indicating the dairy operation is not electing to lock-in coverage. 	Select “Yes” or “No” to whether the dairy operation is electing to lock in coverage through the year 2023.
Tier 1	<p>Tier 1 covers the first 5,000,000 lbs. of production history.</p> <p>Note: Pounds are computed by multiplying the production history times selected coverage percentage.</p>	<p>Select the applicable coverage level elected by the dairy operation.</p> <p>Note: If the dairy operation elects \$4.00 for the coverage level, the coverage percentage must be 95%. This is considered catastrophic coverage.</p>

73 Contract Coverage Level Elections (Continued)

C Field Descriptions and Actions (Continued)

Field	Description			Action
Tier 2	Tier 2 covers production history over 5,000,000 lbs.			Select the applicable coverage level elected by the dairy operation.
	IF the dairy operation...	AND...	THEN...	
	has both tier 1 and tier 2 production history	selects \$8.50 or higher on tier 1	the operation can select any coverage level on tier 2.	Note: Only applicable if the dairy operation has over 5,000,000 lbs. of covered production history.
	selects \$8.00 or lower on tier one	tier 2 will default to the same coverage level.		
Total Calculated Premium	Total calculated premium for the contract based on the coverage election. See 1-DMC for premium calculation formula.			This field is view only.

D Page Options

The following table provides the page options.

Option	Action
Back	Returns user to the Coverage Option Screen.
Cancel	Returns user to the Contract Search Results Screen.
Continue	Continues to the Producer Certification Screen.

73 Contract Coverage Level Elections (Continued)

E Coverage Option Screen Error Messages

The following provides a list of error messages that may be displayed on the Coverage Options Screen.

Message	Reason for Message	Corrective Action
“Coverage percentage election is required”	Coverage percentage was not selected from the drop-down list.	Select the desired coverage percentage elected by the dairy operation on the drop-down list.
“Response must be provided to indicate if the dairy operation is locking in coverage”	Is the dairy operation electing to lock in coverage through December 31, 2023?	Select “Yes” or “No” to whether the dairy operation is electing to lock-in coverage.
“Tier 1 coverage level election is required”	Tier 1 coverage level was not selected.	Select the coverage for tier 1 that was elected by the dairy operation. Coverage for tier 1 starts at \$4 and increases in \$.50 increments to \$9.50.
“Tier 2 coverage level election is required”	Tier 2 coverage level must be selected.	Select the tier 2 coverage level.
“95% must be the selected coverage percentage when electing \$4 coverage”	User selected \$4 for the coverage level threshold but did not select 95 percent for the coverage level percentage. This is considered catastrophic coverage.	Perform either of the following: <ul style="list-style-type: none"> • select 95 percent for the coverage level percentage • select a different coverage level threshold other than \$4.

74 Producers with Interest in the Dairy Operation

A Introduction

Producers with interest in the dairy operation are required to be added to the contract. The individuals or entity that should be receiving benefit from the program should be listed on this page.

IF the dairy operation listed is...	THEN generally...
an individual	the individual shall be recorded as a producer.
an entity	the dairy operation shall be recorded a producer Note: Members of entities that have an interest in the dairy operation shall not be added separately as a producer with interest, unless they have a personal direct interest in the dairy operation.
an informal joint venture	the members of the joint venture shall be recorded as producers.

B Example of Production Certification Contract Screen Before Producer Selection

The following is an example of the Producer Certification screen **before** clicking “Add Dairy Operation as a Producer” or “Add Producer” to add a producer or entity with interest in the dairy operation.

74 Producers with Interest in the Dairy Operation (Continued)

B Example of Production Certification Contract Screen Before Producer Selection (Continued)

The following is an example of the Producer Certification Screen **after** adding a producer or entity with interest in the dairy operation.

The screenshot displays a web application interface for 'Producer Certification'. At the top, there is a navigation menu with 'Home', 'Production History', 'Contracts', 'Collections', and 'Maintenance'. Below this is a progress bar with five steps: 'General Information', 'Coverage', 'Producer', 'Remittance', and 'Determination'. The 'Producer' step is currently active.

The main heading is 'Producer Certification'. Below it, there are three rows of information: 'Coverage Year: 2019', 'State: Florida (12)', and 'County: Clay (019)'; 'Dairy Operation: DMC Dairy, LLC', 'Dairy Operation Number: 1588', and 'Production History: 13,259,148 lbs'.

A table lists the producers with the following columns: 'Producer Name', 'Date Filed', 'Share(%)', 'Commensurate', 'Participating', 'Refused Payment', 'Point of Contact', and 'Actions'. One entry is shown for 'DMC Dairy LLC' with a calendar icon for 'Date Filed', a dropdown for 'Commensurate' set to 'Select One', a dropdown for 'Participating' set to 'Yes', a dropdown for 'Refused Payment' set to 'No', and a radio button for 'Point of Contact'.

Below the table is an 'Add Producer' button. Further down, there is a 'TOTAL SHARES: 0.00 %' label. At the bottom, there is a question: 'Does the dairy operation qualify for waiver of the administrative fee?' with radio buttons for 'Yes' and 'No' (selected).

At the very bottom, there is a '3 of 5 Steps' indicator and four buttons: 'View CCC-801', 'Back', 'Cancel', and 'Continue'.

74 Producers with Interest in the Dairy Operation (Continued)

C Field Descriptions and Actions

The following table provides the field descriptions and actions for the Producer Certification Page.

Field	Description	Action
Date Filed	<p>The date the CCC-801 was received by the county office.</p> <p>Note: The date should always be when the CCC-801 was received by the county office which could be different from when the producer signed the form.</p>	Use the calendar icon to select the date or type the applicable date.
Share (%)	<p>Producer share percent interest in the dairy operation. Share shall:</p> <ul style="list-style-type: none"> • be greater than 0 percent • not exceed 100 percent (all producers shall total 100 percent) • be a share percent with no more than 2 decimal places. 	Enter the applicable share percentage.
Commensurate	Does the producer make contributions (including land, labor, management, equipment, or capital) to the dairy operation that are at least commensurate with their shares of the proceeds of the operation.	Use the drop-down box to select “Yes” or “No”.

74 Producers with Interest in the Dairy Operation (Continued)

C Field Descriptions and Actions (Continued)

Field	Description	Action
Participating	Defaulted to “Yes”. Does the producer wish to participate in DMC. Note: If a producer elects to not participate but has a share in the dairy operation, they must be recorded with their applicable shares. See 1-DMC for policy and provisions regarding program participation.	Use the drop-down box to select “Yes” or “No”.
Point of Contact	Producer who is the main contact for the dairy operation.	Select the appropriate producer as the point of contact.
Does the dairy operation qualify for waiver of the administrative fee?	Does the dairy operation or a member of the dairy operation qualify for a waiver of the administrative fee because of one or more of the following: <ul style="list-style-type: none"> • Socially Disadvantaged • Limited Resource • Beginning Farmer or Rancher • Veteran. 	Select either “Yes” or “No”.

D Page Options

Following are the page options.

Option	Action
Add Dairy Operation as a Producer	Select this option to automatically add the dairy operation ad the producer with interest. Note: Members of entities should not be individually added to the contract unless they have a direct interest that is separate from the entity.
Add Producer	Select this option to select a producer from SCIMS.
Remove	Select this option if an incorrect producer was added for the dairy operation.
Back	Returns to the Coverage Options Screen.
Cancel	Returns to the Contract Search Results Screen.
Continue	Continues to the Producer Certification Screen.

74 Producers with Interest in the Dairy Operation (Continued)

E Production Certification Contract Screen Error Messages

The following provides a list of error messages that may be displayed on the Contract Screen.

Message	Reason for Message	Corrective Action
“Producer is not an active customer in SCIMS.”	Producer selected is not an active customer in SCIMS.	Select an active customer in SCIMS.
“Must add at least one producer to the contract.”	No producer was selected to add to the contract.	Perform either of the following: <ul style="list-style-type: none"> • Select “Add Dairy Operation as Producer” • Select “Add Producer”.
“Producer share must be recorded.”	User did not record a share percentage for one or more producers.	Perform either of the following: <ul style="list-style-type: none"> • enter the producer share as a percent with up to 2 decimal places • remove the producer from the contract.
“Producer’s total shares do not equal 100%.”	The total share percentage for the dairy operation does not equal 100%.	Enter the applicable share percentage for each producer on the contract.
“Point of contact must be selected for the Dairy Operation.”	User did not select a producer as the point of contact.	Select the appropriate producer as the point of contact.

74 Producers with Interest in the Dairy Operation (Continued)

E Production Certification Contract Screen Error Messages (Continued)

Message	Reason for Message	Corrective Action
"Producer must indicate whether the producer meets the commensurate program requirements."	User did not answer whether the producer was commensurate or not.	Select one of the following: <ul style="list-style-type: none"> • "Yes" meaning the producer meets the commensurate provisions • "No" meaning the producer does not meet the commensurate provisions.
"Signature date cannot be later than current date."	A date was entered that is after the current date which is an invalid signature date.	Enter a valid signature date that is on or before the current date.
"Date cannot be earlier than the production history producer signature date."	Date entered is before the production history producer signature.	Enter a valid signature date that is on or after the production history signature date.
"Signature date cannot be previous to the prior revision's signature date."	Signature date entered on the revision cannot be before the signature date on the version prior to the current version. The signature date on the revision must be after the prior signature date because the "start date" of the revision is based on the last producer signature on the revision. Contracts cannot overlap.	Enter a valid signature date that is after the signature date of the prior version of the contract.

75-80 (Reserved)

Section 2 Revising Contracts

81 Contract Revisions

A Introduction

The DMC system provides several options to revise contracts.

Revision Option	Description
Edit Contract	Can be selected at any time during the contract enrollment period. All fields are available for edit during enrollment.
Producer Revision	Creates a new version of the contract and should only be used when a revision is needed on a producer with interest on the contract needs to be updated. Note: This is not applicable to succession-in-interests and should never be used in that manner.
Record Signatures	Allows the user to access the Producer Certification Page to submit producer signatures. The system will then flow through the contract process and allow user to load the COC determination, if applicable. All other fields are locked down during this process.
Delete Revision	Allows the user to delete subsequent versions of the contract if there is an error or was loaded erroneously. Note: The original version of the contract cannot be deleted.

81 Contract Revisions (Continued)

B Revision Table During Enrollment

Determine which revision option is applicable during enrollment according to following.

		Edit	Producer Revision	Delete
		During Enrollment	During Enrollment	During Enrolment
1	Is a new version of the contract created?	No	No	No
	Can the following be modified through this option?			
2	Commercially Marketing Milk question	Yes	No	
3	Amount of 2014-2017 premium credit	Yes	No	
4	Coverage Percentage	Yes	No	
5	Start Date	No	No	
6	End Date	No	No	
7	Lock in question	Yes	No	
8	Tier 1 and Tier 2 Coverage Level	Yes	No	
9	Add/Remove Producer	Yes	Yes	
10	Signature Date	Yes	Yes	
11	Share	Yes	Yes	
12	Commensurate question	Yes	Yes	
13	Participating question	Yes	Yes	
14	Refused Payment question	Yes	Yes	
15	Point of Contact	Yes	Yes	
16	Waiver question	Yes	Yes	

81 Contract Revisions (Continued)

C Revision Table After Enrollment

Determine which revision option is applicable after enrollment according to the following:

		Edit	Producer Revision	Delete
		After Enrollment Ends	After Enrollment Ends	After Enrollment Ends
1	Is a new version of the contract created?	No	Yes	No
	Can the following be modified through this option?			
2	Commercially Marketing Milk question	Yes	No	
3	Amount of 2014-2017 premium credit	No	No	
4	Coverage Percentage	No	No	
5	Start Date	No	No	
6	End Date	No	No	
7	Lock in question	No	No	
8	Tier 1 and Tier 2 Coverage Level	No	No	
9	Add/Remove Producer	No	Yes	
10	Signature Date	No	Yes	
11	Share	No	Yes	
12	Commensurate question	Yes	Yes	
13	Participating question	Yes	Yes	
14	Refused Payment question	Yes	Yes	
15	Point of Contact	Yes	Yes	
16	Waiver question	No	Yes	

82 Contract Revisions - Edit Option

A Introduction

The DMC system provides the ability to revise contracts both during and after enrollment. Use the chart in paragraph 81 to determine applicable actions available under the “Edit Contract” option.

This option never creates a new version of the contract.

Follow the steps below to revise a contract with the “Edit Contract” option.

Step	Action
1	Select the applicable dairy operation.
2	CLICK “Edit Contract”.
3	“Are you sure you wish to edit the contract?” will be displayed.
4	CLICK “Yes” to continue to the General Information Screen.
5	Update contract as applicable.
6	CLICK “Continue” and finish out the contract flow.

B Examples of Edit Contract Option

Following are examples for the edit contract option.

Example 1: User is recording a DMC contract for Ima Farmer but gets called away from their desk and the system times out. When returning, the user selects the “Edit Contract” option to complete the enrollment process.

Example 2: User incorrectly enters the signature date of the producer. The user selects the “Edit Contract” option to correct the signature date.

Example 3: DMC Dairy LLC enrolls in DMC and the user has loaded the contract into the DMC software. The user erroneously enters the individual members of the LLC for the participating producers instead of the entity DMC Dairy LLC. During the enrollment period the user realizes their error and needs to correct the contract. The “Edit Contract” option is used to correct the participating producer on the contract regardless of contract status.

Note: The “Edit Contract” option will always navigate the user to the General Information Page.

83 Contract Revisions- Revise Producer Option**A Introduction**

The Revise Producer option is available both during and after DMC enrollment. This option always creates a new version of the contract and will require a new COC determination on the subsequent contract version. This option is for recording changes to the producer with interest in the dairy operation. The user must consider if the information that needs to be updated is truly incorrect or if it was correct for a portion of the coverage year. If the information was entered in error and no subsequent version should be created, the user should use the “Edit Contract” option.

Warning: This option shall only be used if either of the following have changed for the current version of the contract:

- producer is being added or removed
- producer share is being changed.

Note: If, during the enrollment period, the user realizes that the wrong producer was added to the DMC contract, the user should use the “Edit Contract” option instead. If the user uses the “Revise Producer” option, the first version of the contract would still pay the incorrect producer.

Producers with interest in a dairy operation may be revised to:

- add a new producer
- remove an existing producer
- update the following for exiting producer(s):
 - share percentage
 - commensurate indicator
 - participation indicator
 - refuse payment indicator
 - point of contact
 - administrative fee waiver indicator
 - signature date.

83 Contract Revisions- Revise Producer Option (Continued)

A Introduction (Continued)

The start date of a revision is based on the latest signature date from the previous version. The end date for the previous version would automatically be set for the day before.

Example: Joint Venture with 2 members at 50% share each. Midway through the year the shares change to 75/25%. A new version of the contract should be created using the “Producer Revision” option so any forthcoming payments will be issued based on the revised shares. If payments are triggered after the share revision, the system will pay the first version 50/50% and the second version 75/25% based on the start date of the new version.

Note: This option does not replace a succession-in-interest. Succession-in-interests are changes in ownership of the dairy operation and are handled as a Production History revision

B Procedure for Revising a Producer with Interest

Users shall perform the following steps to revise a producer with interest in the dairy operation.

Step	Action
1	Select the applicable dairy operation.
2	CLICK “Revise Producer”.
3	“Are you sure you wish to revise the producer?” will be displayed.
4	CLICK “Yes” to continue to the Producer Certification Screen.
5	Update the applicable fields.
6	CLICK “Continue” and finish out the contract flow.

After the producer(s) with interest in the dairy operation has been updated, a new producer signature(s) and COC determination is required.

All versions of the contract will be displayed on the Contract Search Results Screen. The contracts are listed by contract end date therefore the original version is listed first followed by any subsequent versions created.

83 Contract Revisions- Revise Producer Option (Continued)

C Example of Contracts Search Results with Multiple Contract Revisions

The following is an example of the Contract Signature Screen with a contract revision.

Revisions are listed on the Search Results Page by contract end date. In the following example the original contract was revised, and the end date of that contract is now 4-17-2019. The subsequent version of the contract is listed next with a contract end date of 12-31-2019. Pay close attention to the “Contract End Date” field to determine which version is the current version.

The screenshot shows a web interface for 'Contracts Search Results'. At the top, there are navigation tabs: Home, Production History, Contracts (selected), Collections, and Maintenance. Below the tabs, it displays 'Coverage Year: 2019', 'State: Florida (12)', and 'County: Clay (019)'. The main heading is 'Contracts Search Results'. Underneath, there is a 'Search Results' section with a table. The table has columns: Select, Dairy Operation Number, Farm Number, Tract Number, Established Production History (lbs), Contract status, and Contract End Date. There are six rows of data. The second row from the bottom has a red box around its 'Contract End Date' field, which contains '04/17/2019'. Below the table, there are several buttons: 'Create Contract', 'Edit Contract', 'Revise Producer', 'Record Signatures', 'View CCC-801', and 'Delete Revision'.

Select	Dairy Operation Number	Farm Number	Tract Number	Established Production History (lbs)	Contract status	Contract End Date	
<input type="radio"/>	DMC Dairy 123, LLC	123729203	197	273	25,000	Initiated	12/31/2019
<input type="radio"/>	DMC Dairy 456, INC	123729194	128	189	50,000	Approved	12/31/2019
<input type="radio"/>	Doe, John	123728868	2	2	13,750	Initiated	12/31/2019
<input type="radio"/>	DMC Dairy 789 Partnership	123728809	143	204	520,000	Approved	04/17/2019
<input type="radio"/>	DMC Dairy 789 Partnership	123728809	143	204	520,000	Approved	12/31/2019
<input type="radio"/>	Farmer, Ima	123684288	162	231	207,350		

84 **Deleting a Revision**

A Introduction

If it is determined that a correction is needed on the original contract, the user must first delete any revisions to the contract before taking action to correct the issue on the original contract. Once the issues are corrected, the user will then recreate the subsequent version of the contract.

A subsequent version of the contract should always be entered back into the system unless it was created in error. If payments have been made on the subsequent version, deleting that version will cause overpayments if the subsequent version is not reloaded.

Example: A subsequent version of John Smith’s contract has been created. It is discovered that the premium credit amount is incorrect. The user must first delete the subsequent version before correcting the premium credit amount on the original contract.

Note: The original version of the contract **cannot** be deleted.

B Procedure for Deleting a Revision

Step	Action
1	Select the applicable version of the contract for the dairy operation. Note: Pay close attention to the Contract End Date. The most current revision will have a Contract End Date of 12/31 of the applicable year.
2	CLICK “Delete Revision”.
3	A pop-up will be displayed asking if you’re sure you wish to delete the revision.
4	CLICK “Yes” to continue with the deletion.

85 Contract Revisions- Record Signatures

A Introduction

The Record Signatures option only allows the user to record signatures including the COC determination on a contract. All other fields are locked down during this process. This option is available if the contract is in at least “Initiated” status and is available so the user does not have to navigate through the entire contract by using the “edit contract” button. When the Record Signature option is selected, the Producer Certification Screen is displayed.

B Example of Producer Certification Screen when Record Signature Option is Taken

The following is an example of the Producer Certification Screen when “Record Signature” option is taken. All fields are locked down except the “Date Filed” field. The user can also record COC determination and date under this option.

Home Production History **Contracts** Collections Maintenance

General Information Coverage **Producer** Remittance Determination

Producer Certification

Coverage Year: 2019 State: Florida (12) County: Clay (019)
Dairy Operation: Doe, John Dairy Operation Number: 123729203 Production History: 25,000 lbs

Producer Name	Date Filed	Share(%)	Commensurate	Participating	Refused Payment	Point of Contact	Actions
Doe, John	<input type="text"/>	100.00	Yes	Yes	No	<input type="radio"/>	Remove

TOTAL SHARES:
100.00 %

Does the dairy operation qualify for waiver of the administrative fee? Yes No

3 of 5 Steps

85 Contract Revisions- Record Signatures

C Page Options

Option	Action
Add Producer	Not available for selection during this process.
Cancel	Returns user to the Contract Search Results Screen.
Continue	Continues to the Contract Collection Screen.

86-90 (Reserved)

Section 3 Recording COC Determinations

91 Review Validations and Errors

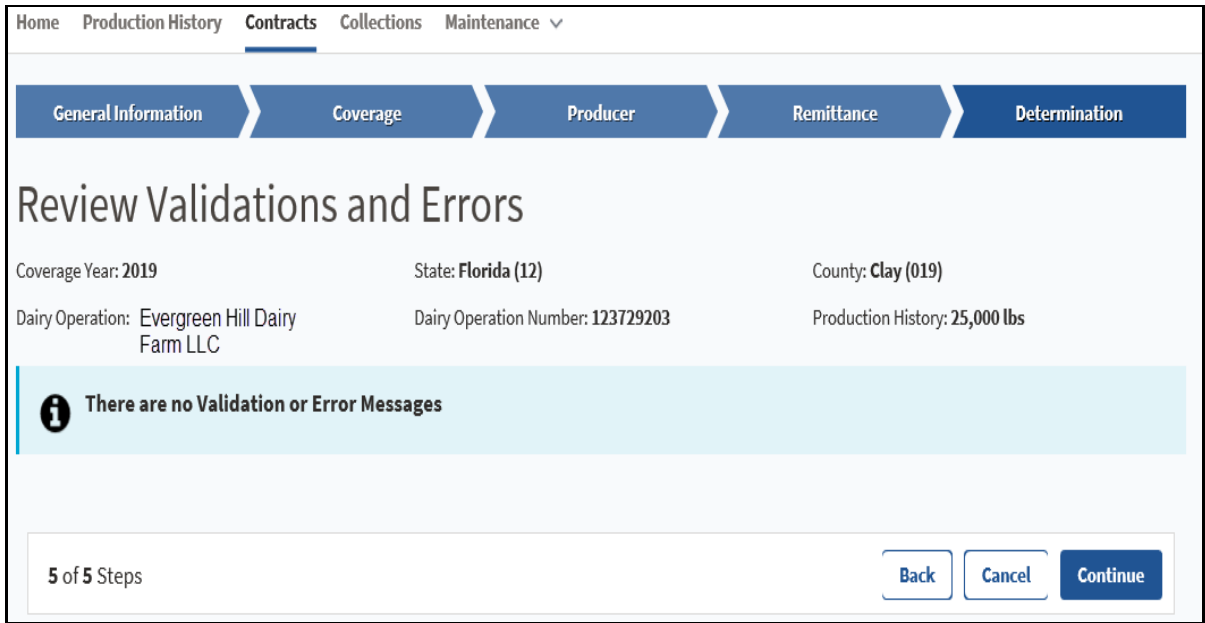
A Introduction

The Review Validations and Error Screen lists any issues with the contract that could prevent the COC approval of the contract. There are two types of errors.

- Validation Errors, which prevent the user from recording the COC determination for the contract until corrective action is taken.
- Validation Warnings, which allow the user to record the COC determination but will require for a “Final Approval” on the COC Determination Page requesting verification of approval with errors.

B Example of Validations and Errors Screen

The following is an example of the Contract Collections Screen with no validation or error messages.



91 Review Validations and Errors (Continued)

C Page Options

Option	Action
Back	Returns user to the Contract Collection Screen.
Cancel	Returns user to the Contract Search Results Screen.
Continue	Continues to the COC Action Screen.

D Review Validations and Errors Screen Error Messages

The following provides a list of error messages that may be displayed on the Contract Screen.

Message	Reason for Message	Corrective Action
“Dairy Operation is not eligible for DMC since they do not currently produce and commercially market milk.”	Dairy operation indicated they do not currently produce and commercially market milk.	<p>Verify that the correct answer was selected on the General Information Page. If the correct answer was selected and the dairy operation is not currently producing and commercially marketing milk, the contract must be disapproved.</p> <p>Note: For 2019 only, if the dairy operation produced and commercially marketed milk at any time in the calendar year, they are eligible for DMC and the question must be marked “Yes” on the General Information tab.</p>

91 Review Validations and Errors (Continued)

D Review Validations and Errors Screen Error Messages (Continued)

Message	Reason for Message	Corrective Action
<p>“Administrative Fee must be paid prior to COC Approval”</p>	<p>One of the following occurred:</p> <ul style="list-style-type: none"> • user did not enter the “Remittance Fee” and “Amount to apply to DMC” • user did note that a waiver applies, if applicable • “Amount to Apply to DMC” was less than \$100. 	<p>Perform any of the following:</p> <ul style="list-style-type: none"> • enter the remittance fee on the Contract Collection Screen • COC determination cannot be completed until the administrative fee has been paid.
<p>“Dairy operation did not enroll timely and is not eligible for buy-up coverage.”</p>	<p>Dairy operation did not enroll timely and is not eligible for coverage.</p>	<p>The contract must be disapproved.</p>
<p>“Total shares of all producers with an interest in the dairy operation does not equal 100%.”</p>	<p>Total shares for the dairy operation do not equal 100%.</p>	<p>Verify shares for the contract.</p> <p>While the producer has the option not to participate, 100% of the shares must be accounted for the Dairy Operation.</p>
<p>“Signature dates have not been recorded for all participating producers.”</p>	<p>Signature dates have not been recorded for all producers indicating they are participating in DMC.</p> <p>If a producer has selected to not participate, a signature is not required on the CCC-801 for that producer.</p>	<p>Verify that all signature dates have been recorded.</p>

91 Review Validations and Errors (Continued)

D Review Validations and Errors Screen Error Messages (Continued)

Message	Reason for Message	Corrective Action
<p>“Not all producers have indicated they are participating. Verify before recording COC approval”</p>	<p>At least one of the producers associated with the contract indicated they are electing not to participate as recorded.</p>	<p>Verify that the participation indicator is correct for all producers that are participating in the DMC program have been recorded accordingly.</p> <p>Note: This is a warning message and user can proceed with COC determination if they feel the contract is correct.</p>
<p>“Point of Contact was not selected for dairy operation.”</p>	<p>Point of contact was not selected for the dairy operation.</p>	<p>Point of contact should be selected.</p> <p>Note: This is a warning message and user can proceed with COC determination if they feel the contract is correct.</p>

92 Contract Signature Screen

A Introduction

The Contract Signature Screen, “COC Determination” section provides the ability for COC or designee to “Approve” or “Disapprove” CCC-801 and enter the date of COC determination.

Once COC determination has been saved, the user will be redirected back to the Contract Search Results Screen.

B Example of Contract Collections Screen

The following is an example of the Contract Signature Screen.

The screenshot shows a web application interface for 'Contract Signature'. At the top, there are navigation tabs: Home, Production History, Contracts (selected), Collections, and Admin. Below the tabs is a progress bar with five steps: General Information, Coverage, Producer, Remittance, and Review & Approve. The main content area displays contract details: Coverage Year: 2019, Dairy Operation: Ima Farmer, State: Virginia (51), Dairy Operation Number: 123701162, County: Orange (137), and Production History: 34,716,970. Under the heading 'COC Determination', there are two radio buttons: 'Approve' (selected) and 'Disapprove'. Below this is a text input field for 'COC Determination Date' with a placeholder '*Date: (mm/dd/yyyy)'. At the bottom, there is a progress indicator '5 of 5 Steps' and four buttons: 'Back', 'Cancel', 'Save', and 'Save and Continue'.

C Field Descriptions and Actions

The following table provides the field descriptions and actions for the Contract Signature Screen. Once the user has selected the COC determination, the COC determination date must be entered.

Heading	Description
COC Determination	Allows the user to select “Approve” or “Disapprove” for the COC determination.
COC Determination Date	The user should enter the date the COC determination was acted on.

92 Contract Signature Screen (Continued)

D Page Options

The following options are available on the Contract Collection Page.

Option	Action
Back	Returns user to the Review Validations and Errors Screen.
Cancel	Returns user to the Contract Search Results Screen.
Save and Continue	Continues to the Contract Search Results Screen.

E Contract Signature Screen Error Messages

The following provides a list of error messages that may be displayed on the Contract Signature Screen.

Message	Reason for Message	Corrective Action
“The COC determination is required.”	“Approve” or “Disapprove” was not selected.	Select either of the following for the COC Determination: <ul style="list-style-type: none"> • Approve • Disapprove.
“COC Determination date is required.”	No COC determination date was entered.	Enter or select the applicable COC determination date.
“COC Determination date cannot be a future date.”	COC determination date selected is a future date	Verify the COC determination date and record a valid date.

93 Bulk Approval of Contracts

A Introduction

The bulk approval of contracts option is provided so users can record the COC approval for multiple contracts at the same time. For a contract to be eligible for bulk approval, the contract must be in “Producer Certified” status. The bulk approval option is located on the Maintenance Toolbar under “Approve Contracts”

B Example of Approve Contracts Screen

Following is an example of the Approve Contracts Screen.

Select	Dairy Operation	Dairy Operation Number	Farm	Tract	Established	Contract Status
<input type="checkbox"/>	DMC Dairy 123	123700955	2520	713	34,056	Producer Certified
<input type="checkbox"/>	DMC Dairy 456	123700951	2748	2898	19,328,830	Producer Certified
<input type="checkbox"/>	Doe, John	123700954	2355	743	58,090,140	Producer Certified
<input type="checkbox"/>	Farmer, Ima	123700953	1758	1716	96,289,460	Producer Certified

93 Bulk Approval of Contracts (Continued)

C Field, Description, Action

The following table provides the field descriptions and actions for the Approve Contract Page.

Field	Description	Action
Approval Date	<p>COC approval date for all contracts selected to be approved.</p> <p>Note: All contracts selected must have the same COC approval date. Be certain to only select contracts with the same COC approval date. User may need to perform the bulk approval several times to account for multiple COC approval dates for all contracts.</p>	<p>Perform any of the following:</p> <ul style="list-style-type: none"> • individually select applicable contracts for approval by clicking the “select” dialog box next to the dairy operation. • select all dairy operations listed by clicking “Select All” • unselect any dairy operation currently selected by clicking “Clear All” and return to the Contract Search Results Page by clicking “Contracts” at the top of the screen.
Approve	<p>Approves all contracts that have been selected by the user.</p>	<p>Once the applicable dairy operations have been selected, the user will click “Approve” to record the COC determination date.</p>

93 Bulk Approval of Contracts (Continued)

D Page Options

The following page options are available.

Option	Action
Select All	Allows user to select all contracts listed.
Clear All	Allows user to clear any contracts selected.
Approve	COC approval is recorded for any contract selected. The user will be directed back to the Contract Search Results Screen.

E Revise Producer Error Messages

The following provides a list of error messages that may be displayed for the Bulk Approval process.

Message	Reason for Message	Corrective Action
“Approval date is required to approve.”	User did not enter a COC approval date.	Use the calendar icon to select the applicable COC approval date of the contracts selected.
“At least one contract must be selected to approve.”	User did not select at least one contract for approval.	Perform one of the following: <ul style="list-style-type: none"> • Select applicable contracts for approval. • Return to the Contract Search Results Screen by clicking “Contracts” at the top of the page.
Approval date must be greater than or equal to the Producer signature date.	User selected an approval date earlier than the signature date of one or more selected contracts.	Ensure the correct COC approval date was selected. Review the dairy operations selected for accuracy.

94-110 (Reserved)

Part 5 Collections

Section 1 Collecting Fees and Premiums

111 Introduction

A Administrative Fee and Premium

Collecting and remitting administrative fee and/or premium shall be recorded in the DMC system for dairy operations when fees are collected.

Administrative fee and/or premium may also be recorded through either of the following:

- contract and annual election process
- contract collections option.

The Contract Collections Screen provides users the ability to:

- record remitter details
- record payment details
- view a pop-up of the contract summary
- view a pop-up of the collection history.

The dairy operation is required to pay the administrative fee before COC determination can be recorded.

111 Introduction (Continued)

B Example of Contract Collections Screen

The following is an example of the Contract Collections Screen.

The screenshot displays a web application interface for 'Contract Collections'. At the top, there is a navigation menu with 'Home', 'Production History', 'Contracts' (highlighted), 'Collections', and 'Maintenance'. Below this is a progress bar with five steps: 'General Information', 'Coverage', 'Producer', 'Remittance' (current step), and 'Determination'. The main heading is 'Contract Collection'. Contract details include Coverage Year: 2019, Dairy Operation: Doe, John, State: Florida (12), Dairy Operation Number: 123728809, County: Clay (019), and Production History: 520,000 lbs. A 'Balance Due: \$100.00' is shown with buttons for 'View Summary' and 'View Collections History'. The 'Remitter Details' section contains dropdowns for State (Florida) and County (Clay), and a 'Remittance Office' dropdown. Below these are buttons for 'Select Dairy Operation' and 'Select From SCIMS'. The 'Payment Details' section includes dropdowns for 'Remittance Type' (Select One) and 'Check/Item Date' (06/09/2019), along with input fields for 'Check/Item Number', 'Remittance Amount', and 'Amount to apply to this contract'. A 'Submit Remittance' button is located at the bottom of this section. At the very bottom of the screen, it indicates '5 of 5 Steps' and provides 'Back', 'Cancel', and 'Continue' navigation buttons.

111 Introduction (Continued)

C Field Descriptions and Actions

The following table provides the field descriptions and actions for the Contract Collections Screen.

Field	Description	Action
State	Defaulted to the user’s administrative State. User can use the drop-down menu to make a different selection.	Select the applicable State if different from the user’s administrative State from the drop-down menu.
County	Defaulted to the user’s administrative State. User can use the drop-down menu to make a different selection.	Select the applicable State if different from the user’s administrative State from the drop-down menu.
Remittance Office	Defaulted to “Select Remittance Office”. If the user is associated with more than one service center, select the appropriate remittance office by using the drop-down menu.	Select the applicable remittance office from the drop-down menu.
Remitter	Common customer name of person submitting the remittance.	<p>Select one of the following options:</p> <ul style="list-style-type: none"> • “Select Dairy Operation”, Automatically - adds the dairy operation on the contract • “Select From SCIMS” initiates a SCIMS search to select the applicable remitter. <p>Note: The remitter should always match the name listed on the remittance type. Any person with a valid SCIMS ID can submit a remittance.</p>

111 Introduction (Continued)

C Field Descriptions and Actions (Continued)

Field	Description	Action
Remittance Type	User can select from the following options: <ul style="list-style-type: none"> • Cashier Check • Cash and Coin • Multi-Party Check • Money Order • Personal Check • Wire Transfer. 	Select the applicable remittance type from the drop-down menu.
Check/Item Number	Check or item number on the remittance. Note: Check/item number is required for all remittance types except for “cash and coin”	Enter the applicable check/item number.
Check/Item Date	Date the remittance is received. This is defaulted to the current date but a prior date can be selected. This date should be the date the remittance was received in the County Office.	Enter the applicable date or select the calendar icon to select date.
Remittance Amount	Total amount of remittance. The amount may include fees to other FSA programs. Amount shall be: <ul style="list-style-type: none"> • entered in dollars and cents • greater than 0. Example: John Doe submits a check for \$1000. \$600 of the check is to be applied to his DMC contract, the other \$400 is for other program fees. The user will enter \$1000 for the total remittance amount in the DMC software.	Enter in the total amount listed on the remittance.
Amount to Apply to this Contract	Amount of remittance that is being applied to the contract in DMC.	Enter the amount to be applied to the DMC contract.

111 Introduction (Continued)

D Page Options

The following page options are available.

Option	Action
Back	Returns user to the Producer Certification Screen.
Cancel	Returns user to the Contract Search Results Screen.
Continue	Continues to the Review Validations and Errors Screen.

E Contract Collections Screen Error Messages

The following provides a list of error messages that may be displayed on the Contract Screen.

Message	Reason for Message	Corrective Action
“Selected producer is not active in SCIMS.”	Producer selected is not active in SCIMS.	Select a producer that is active in SCIMS.
“Remitter must have a tax ID recorded in Business Partner”	Remitter selected does not have a tax ID in Business Partner.	Verify that the correct remitter was selected. If so, review Business Partner and correct the missing tax ID.
“Remittance Office is Required”	User did not select the remittance office from the drop-down menu.	Select the remittance office from the drop-down menu.
“Remitter is required”	User did not select the producer remitting the fee.	Click one of the following options: <ul style="list-style-type: none"> • “Select Dairy Operation”, to add the current operation as the remitter. • “Select From SCIMS”, initiates a SCIMS search to select a producer.

111 Introduction (Continued)

E Contract Collections Screen Error Messages (Continued)

Message	Reason for Message	Corrective Action
“Remittance amount must be greater than \$0 with no more than 2 decimal places”	User did not enter a remittance amount.	Enter the applicable remittance amount.
“Must enter amount to apply to DMC Contract and Annual Election.”	User did not enter an amount to be applied to the DMC contract.	Enter the amount to apply to the DMC contract.
“Remittance Type is Required”	User did not select a remittance type from the drop-down menu.	Select one of the following from the remittance type drop-down menu: <ul style="list-style-type: none"> • Cashier Check • Cash and Coin • Multi-Party Check • Money Order • Personal Check • Wire Transfer.
“Check/Item Date is Required”	User did not enter or select the date that the remittance was received.	Enter or select the date the remittance was received by the County Office.

111 Introduction (Continued)

E Contract Collections Screen Error Messages (Continued)

Message	Reason for Message	Corrective Action
<p>“Remittance amount must be entered in dollars and cents”</p>	<p>Either of the follow occurred:</p> <ul style="list-style-type: none"> • remittance amount was not entered in dollars and cents • remittance amount was entered with invalid characters. 	<p>Enter the remittance amount in dollars and cents with only numeric characters.</p>
<p>“Must enter amount greater than \$0 to apply to this contract”</p>	<p>User attempted to enter a remittance with a \$0 balance.</p>	<p>Perform either of the following:</p> <ul style="list-style-type: none"> • enter a valid remittance amount. • click “Cancel” to exit without recording a remittance.
<p>“Amount to apply to the contract cannot be greater than the remittance amount”.</p>	<p>The amount to apply to the DMC contract is larger than the total remittance amount.</p>	<p>Verify the correct remittance amount to apply to the DMC contract and resubmit.</p>
<p>“Amount to apply to the contract cannot be greater than the total balance due.”</p>	<p>The amount to apply to the DMC contract is larger than the total amount due for the contract.</p>	<p>Ensure that the correct amount has been recorded to be applied to the DMC contract.</p>

112 Contract Collections and Remitting Fees

A Introduction

Collecting and remitting administrative fee and/or premium shall be recorded in the DMC System for dairy operations when fees are collected.

B Example of Collections Search Results Screen

The following is an example of the Collections Search Results Screen.

The screenshot shows a web application interface for 'Collections Search Results'. At the top, there is a navigation bar with links for Home, Production History, Contracts, Collections (highlighted), and Maintenance. Below the navigation bar, the search parameters are displayed: Coverage Year: 2019, State: Virginia (51), and County: Amelia (007). The main heading is 'Collections Search Results'. Below this, there is a section titled 'Search Results' containing a table with the following data:

Select	Dairy Operation	Dairy Operation Number	Farm	Tract	Established Production History (lbs)	Contract Status
<input type="radio"/>	DMC Dairy LLC	123700955	2520	713	20,000	Approved
<input type="radio"/>	DMC Dairy 001, INC	123700951	2748	2898	2,270,241	Approved
<input type="radio"/>	DMC Dairy 345 Partnership	123700954	2355	743	6,822,896	Approved
<input type="radio"/>	Doe, Jane	123700953	1758	1716	11,309,544	Approved
<input type="radio"/>	Doe, John	123700952	2204	1305	45,008,270	Producer Certified

At the bottom of the screen, there are two buttons: 'Collections' and 'View CCC-801'.

112 Contract Collections and Remitting Fees (Continued)

C Steps for Selecting Dairy Operation

Access the Contract Search Results Screen according to paragraph 13. On the Contract Search Results Screen, perform the following steps to enter into the collection process, select a dairy operation and record the remittance.

Step	Action
1	CLICK “Collections” from the top navigation bar.
2	The Collections Search Results Screen will be displayed.
	The Collections Screen with “Search Results” section will be displayed based on the selection criteria for contract with a status of either of the following: <ul style="list-style-type: none"> • “Producer Certified” • “Approved”.
3	Select the applicable dairy operation by selecting the corresponding dialog box.
4	CLICK “ Collection ”.
5	The Contract Collection Screen will be displayed
6	Follow paragraph 112 for remitting the applicable fee.

D Page Options

The following page options are available.

Option	Action
Collections	Directs user to the Contract Collection Screen.
View CCC-801	Displays a PDF version of the CCC-801.

113 Contract Summary Pop-Up

A Introduction

The Contract Summary Pop-up is available at the top right of the Contract Collection Screen. It provides a break-down of applicable fees, credits, and waived fees, if applicable.

B Example of Contract Summary Pop-up

The following is an example of the Contract Summary Pop-up.

Contract Summary [Close]

Coverage Year: **2019** State: **Florida (12)** County: **Clay (019)**
 Dairy Operation: **DMC Dairy, LLC** Dairy Operation Number: **123728809** Production History: **520,000 lbs**

	Amount Due	Waived	Credited	Paid	Balance Due
Administrative Fee	\$100.00			\$0.00	\$100.00
Premium	\$0.00		\$0.00	\$0.00	\$0.00
Totals :	\$100.00		\$0.00	\$0.00	\$100.00

C Field Descriptions and Actions

The following table provides the field descriptions and actions for the Producer Certification Page.

Field	Description
Amount Due	The amount due for the administrative fee and premium, if applicable.
Waived	Any amount on the contract that is being waived.
Credited	Any credited amount from the 2014-2017 premium refund being applied to this contract.
Paid	Any amount previously paid on the contract.
Balance Due	Any balance due on the contract.

114 View Collections History Pop-Up

A Introduction

The Collections History Pop-up is available at the top right of the Contract Collection Screen.

Note: Users can print the screen if they wish to have a printed copy for the folder.

B Example of Collection History Pop-up

The following is an example of the Collection History Pop-up.

Date Submitted	Transaction Amount	Collection Type	NRRS Receipt ID	Check/Item Number	Remittance Amount	Status	Action
06/12/2019	\$100.00	Admin Fee	853536	4	\$100.00	Unscheduled	Cancel
06/12/2019	\$6,500.00	Premium	853541	4785	\$6,500.00	Unscheduled	Cancel

114 View Collections History Pop-Up (Continued)

C Field Descriptions and Actions

The following table provides the field descriptions and actions for the Collection History Pop-Up Screen.

Heading	Description
Premium Credit	Total premium credit that was entered on the General Information Page.
Premium Used	Premium credit applied to the contract for the current coverage year.
Premium Credit Remaining	Total premium credit remaining that can be applied to the premium due the next time the dairy operation enrolls in DMC.
Date Submitted	The date the remittance was submitted.
Transaction Amount	Total amount of the remittance.
Collection Type	Admin Fee or Premium Payment will be displayed.
NRRS Receipt ID	Identification number assigned by NRRS when the remittance was recorded.
Check/Item Number	Application check or item number associated with the remittance.
Remittance Amount	<p>The amount of the remittance applied to DMC.</p> <p>Reminder: The remittance may include amounts owed for other programs. This is the amount that was entered as the amount to apply to the DMC admin fee and/or premium.</p>

114 View Collections History Pop-Up (Continued)

C Field Descriptions and Actions (Continued)

Heading	Description
Status	<p>NRRS will process the fees remitted for the dairy operation. When NRRS receives the request to process fees, the status will be updated to one of the following:</p> <ul style="list-style-type: none"> • Unscheduled- Remittance has been created but is not on a schedule of deposit. • In Process- Remittance is in the process of being placed on a schedule of deposit. • Scheduled- Remittance is on a schedule of deposit, but not verified. • Verified- Remittance is on a verified schedule of deposit. • Active Verified- Remittance is on a verified schedule of deposit and has been activated to allow receipts to be cancelled. • Dishonored- Remittance was returned from NRRS as unfunded. • Cancelled- Remittance was cancelled by the user.
Action	A cancel button is displayed. User can cancel the transaction if there is an error or was entered erroneously.

Note: If a remittance fee is returned from NRRS as “Dishonored” and includes the administrative fee and the dairy operation previously received a COC determination, the status of the contract will be reset to “Producer Certified”, because the contract **cannot** be approved until the administrative fee has been paid in full.

115 Collecting Administrative Fee and Premium

A Introduction

Collecting and remitting administrative fee and/or premium shall be recorded in the DMC System for dairy operations when fees are collected.

Administrative fee and/or premium may also be collected through the contract and annual election process according to paragraph 112.

B Example of Collections Search Results Screen

The following is an example of the Collections Search Results Screen.

The screenshot shows a web interface for 'Collections Search Results'. At the top, there are navigation links: Home, Production History, Contracts, Collections (highlighted), and Maintenance. Below the navigation, there are filters for Coverage Year: 2019, State: Virginia (51), and County: Amelia (007). The main heading is 'Collections Search Results'. Underneath is a sub-heading 'Search Results' followed by a table. The table has the following columns: Select, Dairy Operation, Dairy Operation Number, Farm, Tract, Established Production History (lbs), and Contract Status. There are five rows of data, each with a radio button in the 'Select' column. At the bottom of the table area, there are two buttons: 'Collections' and 'View CCC-801'.

Select	Dairy Operation	Dairy Operation Number	Farm	Tract	Established Production History (lbs)	Contract Status
<input type="radio"/>	DMC Dairy LLC	123700955	2520	713	20,000	Approved
<input type="radio"/>	DMC Dairy 001, INC	123700951	2748	2898	2,270,241	Approved
<input type="radio"/>	DMC Dairy 345 Partnership	123700954	2355	743	6,822,896	Approved
<input type="radio"/>	Doe, Jane	123700953	1758	1716	11,309,544	Approved
<input type="radio"/>	Doe, John	123700952	2204	1305	45,008,270	Producer Certified

115 Collecting Administrative Fee and Premium

C Steps for Selecting Dairy Operation

Access the Contract Search Results Screen according to paragraph 13. On the Contract Search Results Screen, perform the following steps to enter into the collection process, select a dairy operation, and record the remittance.

Step	Action
1	CLICK “Collections” from the top navigation bar.
2	The Collections Search Results Screen will be displayed.
	The Collections Screen with the “Search Results” section will be displayed based on the selection criteria for contract with a status of either of the following: <ul style="list-style-type: none"> • “Producer Certified” • “Approved”.
3	Select the applicable dairy operation by selecting the corresponding dialog box.
4	CLICK “ Collection ”.
5	The Contract Collection Screen will be displayed.
6	Follow paragraph 112 for remitting the applicable fee.

D Page Options

The following page options are available.

Option	Action
Collections	Directs user to the Contract Collection Screen.
View CCC-801	Displays a PDF version of the CCC-801.

116 Canceling a Collection

A Introduction

Administrative fee and premium collections may need to be canceled when:

- remittance information was entered incorrectly
- the dairy operation revised the contract during open enrollment and change their coverage level.

The Collections History Pop-up is located on the Contract Collection Screen.

B Example of Collection History Pop-up

The following is an example of the Contract Collection Screen section with the option to “Cancel” administrative fee and premiums:

Date Submitted	Transaction Amount	Collection Type	NRRS Receipt ID	Check/Item Number	Remittance Amount	Status	Action
06/12/2019	\$100.00	Admin Fee	853536	4	\$100.00	Unscheduled	Cancel
06/12/2019	\$6,500.00	Premium	853541	4785	\$6,500.00	Unscheduled	Cancel

Premium Credit: \$0.00 Premium Used: \$0.00 Premium Credit Remaining: \$0.00

116 Canceling a Collection

C Field, Description, Action

Users have the ability to cancel collections with the following status:

- unscheduled
- active/verified.

Note: If a remittance is in a status other than “unscheduled” or “active-verified”, action must be taken in NRRS to change the status to “active-verified” or “unscheduled”, as applicable, before the collection can be canceled.

Perform the following steps to cancel the collection in DMC.

Step	Action
1	Ensure the remittance is “unscheduled” or “active-verified” in NRRS.
3	Select the applicable dairy operation and CLICK “Collections”.
4	The Contract Collections Screen will be displayed for the selected dairy operation.
5	CLICK “View Collections History” button to view all collections associated with the selected dairy operation.
6	The Collection History Pop-up will be displayed.
7	CLICK the “Cancel” link next to the applicable collection.
8	The status of the cancelled collection should now be “Canceled”.

D Example of Collection History Pop-up with Canceled Collection

The following is an example of the Collection History Pop-up with a canceled collection.

Collection History							
Premium Credit: \$0.00		Premium Used: \$0.00			Premium Credit Remaining: \$0.00		
Date Submitted	Transaction Amount	Collection Type	NRRS Receipt ID	Check/Item Number	Remittance Amount	Status	Action
06/12/2019	\$100.00	Admin Fee	853536	4	\$100.00	Canceled	
06/12/2019	\$6,500.00	Premium	853541	4785	\$6,500.00	Unscheduled	Cancel

117-150 (Reserved)

Part 6 DMC Payment Provisions**Section 1 General Payment Provisions****151 General Payment Provisions for Web-Based DMC Payments****A Introduction**

The DMC payment process is an automated process that determines:

- whether the producer is eligible to receive payment
- the payment amount that can be sent to NPS for disbursement
- the overpayment amount that will be updated to the Pending Overpayment Report.

This part contains the following:

- general provisions applicable to DMC payments
- provisions for processing DMC payments and overpayments
- information about the following common payment reports:
 - Submitted Payments Report
 - Submitted Overpayments Report
 - Pending Overpayment Summary Report
 - Pending Overpayment Report
 - Nonpayment/Reduction Report
 - Failed Obligations / Insufficient Funds Report
 - Payments Computed to Zero Report
 - Payment History Report – Summary
 - Payment History Report - Detail.

B Frequency of Payment Processing

DMC payments are processed nightly for the following:

- newly approved or changed DMC applications
- any payment on the Nonpayment Report to determine whether the condition previously preventing the payment has been corrected.

Note: One payment amount will be sent to NPS.

151 General Payment Provisions for Web-Based DMC Payments (Continued)**C Obtaining FSA-325**

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

Note: If CCC-800 or CCC-801 has been filed by the producer, a revised CCC-800 or CCC-801 is not required when payments are issued under a deceased, incompetent, or disappeared producer's ID number.

D Administrative Offset

DMC payments are subject to administrative offset provisions.

E Assignments

A producer entitled to a DMC payment may assign payments according to 63-FI.

F Participating

If the producer associated with the contract has indicated they do not wish to participate as recorded in the contract, then that producer is not eligible for payment.

G Commensurate

A producer is not be entitled to a DMC payment if the contract indicates the producer does not meet the commensurate requirements for their share percentage.

H Production History Review Required

If the status of the production history record is in a "review required" status, the dairy operation is not eligible for payment until the status is resolved.

I Refused Payment

A producer entitled to a DMC payment that elected to refuse payment will not be paid. The payment will be listed as a reduction on the Nonpayment report as a result of the "Refused Payment" election.

151 General Payment Provisions for Web-Based DMC Payments (Continued)**J Bankruptcy**

Bankruptcy status does **not** exclude a producer from requesting DMC benefits.

Note: Contact the OGC Regional Attorney for guidance on issuing DMC payments on all bankruptcy cases.

K Payments Less Than \$1

DMC payment processes will:

- issue payments in dollars and cents
- **not** issue payments less than 50 cents.

L Payment Due Date

Handbook 61-FI provides general guidance for determining payment due dates for various programs. The DMC payment system sends the current system date to NPS as the payment due date. The system **cannot** determine the payment due date because of numerous factors.

County Offices shall manually determine the payment due date by determining the later of the following:

- the date producer filed CCC-800
- the date producer filed payment eligibility documentation, including the following:
 - AD-1026
 - CCC-902.
- if the producer is an entity or joint operation, date members filed the requisite payment eligibility documentation
- the date software was available to process the payment
- availability of all data required to determine a payment amount.

151 General Payment Provisions for Web-Based DMC Payments (Continued)

L Payment Due Date (Continued)

If the payment is **not** issued within 30 calendar days after the later of the dates in this subparagraph, then prompt payment interest is payable to the producer. County Offices shall:

- manually determine the payment due date based on the factors identified in this subparagraph
- follow the provisions of 61-FI for issuing the interest payment.

M General Payment Policy

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

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

152 Payment Eligibility

A Determining Payment Eligibility

The payment process reads the web-based eligibility system for the applicable coverage year to determine whether a producer or member of a joint operation is eligible to be paid. If the producer or member is ineligible to be paid, then the individual or entity will be listed on the Nonpayment Report with the applicable message. Eligibility values must be updated before the producer or member can be paid.

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

B Eligibility Values

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

Eligibility Determination	Value	Eligible for DMC Payment
AD-1026	Certified	Yes
	Not Filed	No
	Good Faith Determination	Yes
	COC Exemption	Yes
	Awaiting Affiliate Certification	No
	Affiliate Violation	No
Conservation Compliance - Farm/Tract Eligibility	In Compliance	Yes
	Partial Compliance	Yes
	In Violation	No
	No Association	No
	Past Violation	No
	Reinstated	Yes
Controlled Substance	No Violation	Yes
	Growing	No
	Trafficking	No
	Possession	No
Foreign Person	Pending	No
	Yes	Yes
	No	No
	Not Applicable	Yes

152 Payment Eligibility (Continued)

C Eligibility Conditions Priority

If a producer has multiple invalid subsidiary eligibility conditions, only the highest priority ineligible condition will be printed on the Nonpayment Report. The following is the priority of conditions.

Priority	Condition
1	Conservation Compliance
2	Controlled Substance
3	AD-1026
4	Foreign Person

153 Funds Control

A Funds Control Process

DMC payments use the obligation process through the eFunds accounting process, which controls funding allotments by program year, monitors program spending, and halts program disbursements when the funding allocation has been exhausted. The funding is reserved through the obligation process at a summary level using estimated amounts.

The funds for DMC payments are controlled at the National level. If adequate funding is not available, those producers who cannot be paid will be listed on the Failed Obligations/Insufficient Funds Report in the Common Payment Reports System.

B eFunds Access

Funding for DMC is established with the accounting code XXDMC - 8053. The XX identifies the program year of the payment.

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

154-159 (Reserved)

Section 2 DMC Payments

160 Issuing DMC Payments

A Introduction

This part contains the following:

- general provisions applicable to DMC payments
- provisions for processing DMC payments and overpayments
- information about the following common payment reports:
 - Submitted Payments Report
 - Submitted Overpayments Report
 - Pending Overpayment Summary Report
 - Pending Overpayment Report
 - Nonpayment/Reduction Report
 - Failed Obligations / Insufficient Funds Report
 - Payments Computed to Zero Report
 - Payment History Report – Summary
 - Payment History Report - Detail.

B Processing Payments

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

- DMC payment software is available
- producer has provided all required program documentation
- CCC-801 is approved
- program regulations are published
- all data required to determine the payment amount is available.

160 Issuing DMC Payments (Continued)

C Supporting Files for Integrated Payment Processing

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

Type of Information	How Information Is Used for Payment Processing	Source
CCC-800 Data	The information from CCC-800 is used to establish the production history to determine the DMC payment amount for the producer.	Web-Based DMC Contract System
CCC-801 Data	The information from CCC-801 is used to compute the DMC payment amount for the producer.	Web-Based DMC Contract System
Payment Eligibility Information	Used to determine whether the producer and/or member of a joint operation is eligible for payment for the year in which CCC-801 was filed.	Web-Based Eligibility System
General Name and Address Information	Used to determine the producer's business type and general name and address information.	Business Partner/ SCIMS
Entity and Joint Operation Information	Used to determine the following for the year in which CCC-801 was filed for members and member's share of the following: <ul style="list-style-type: none"> • entities • general partnerships • joint ventures. 	Business File
Financial-Related Information	<ul style="list-style-type: none"> • Calculated payment information is provided to NPS. • Determined overpayment amount may be provided to NRRS. 	NPS or NRRS

160 Issuing DMC Payments (Continued)

D Prerequisites for Payments

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

Step	Action
1	Ensure that CCC-801 has been approved and that the approval date has been recorded in the system.
2	Ensure that the applicable CCC-902 is on file and the foreign person determination is completed according to 5-PL for the applicable year for producers and members of joint operations seeking benefits.
3	Ensure that all other applicable eligibility determinations have been updated according to the determinations made by COC for producers and members of joint operations. See 5 PL.
4	Ensure that joint operation and entity ownership structure information is updated in Business File for the applicable year. See 3-PL (Rev. 2).
5	Ensure that all assignments and joint payees have been updated in NPS if CCC-36, CCC-37, or both were filed for DMC.

160 Issuing DMC Payments (Continued)

E ID and Business Type Eligibility

The following table provides the business types that are eligible for DMC payments.

SCIMS Business Code	Business Type and/or Description
Social Security Numbers With the Following Business Types	
00	Individual
07	Trust-Revocable
22	LLC
Employer ID Numbers With the Following Business Types	
02	General Partnership
03	Joint Venture
04	Corporation
05	Limited Partnership
06	Estate
07	Trust-Revocable
10	Churches, Charities, and Non-Profit Organizations
13	Public Schools
17	Trust Irrevocable
18	Individual Operating as a Small Business
20	Indian Tribal Venture
22	LLC
Entities without a Tax ID Number With the Following Business Type	
15	Indians Represented by BIA

161 Payment Processing

A Gross Payment Calculations

DMC software calculates the payment based on Tier I and Tier II elections. Calculations and determinations occur during the evening and nighttime hours without user intervention.

Payments may trigger at the catastrophic level only, at the buy-up level only, or at a combination of catastrophic and buy-up when buy-up is chosen at less than 95 percent. The gross payment amount for DMC will be determined and is then provided to Direct Attribution.

B Monthly Margin Rate

The system retrieves the “dairy production margin” rate for the applicable payment period as calculated in the system as follows.

IF the dairy production margin is...	THEN the rate for the applicable payment period is...
greater than or equal to the highest coverage level percentage for tier 1 as recorded in the system	\$0.00. Example: The highest coverage level recorded in the system for 2019 is \$9.50. If the dairy production margin rate is equal to or higher than \$9.50, then a payment did not trigger for that payment period.
less than the highest coverage level percentage for tier 1 as recorded in the system	a payment has triggered for the applicable month and each contract will need to be evaluated to determine if a payment is earned.

161 Payment Processing (Continued)

C Determining the Contract Payment Period

System determines if the contract is eligible for payment for the applicable payment period. The contract end date is used to determine if the contract is eligible for the payment period as shown in the following table.

IF the contract end date is...	THEN the contract is...
equal to or later than the payment period month	eligible for at least a portion of the payment for that payment period. Example: The contract end date is 12/31/2019 and the payment being processed is for January 2019. Because the end date is later than January 2019, the contract is eligible for the full January payment.
earlier than the payment period month	not eligible for payment for that payment period. Example: The contract end date is 05/31/2019 and the payment being processed is for June 2019. Because the contract end date is earlier than the payment period month, the contract is not eligible for payment.

161 Payment Processing (Continued)

D Determining Number of Eligible Payment Days

The system determines the number of eligible payment days for the applicable payment month based on:

- contract start date
- contract end date.

IF the contract end date is...	THEN the payment days...
later than the payment period month	<p>are equal to the number of days in the payment period month.</p> <p>Example: The contract end date is 12/31/2019 and the payment being processed is for January 2019. Because the end date is later than January 2019, the contract is eligible for the full January payment.</p>
equal to the payment period month	<p>should be computed by subtracting:</p> <ul style="list-style-type: none"> • contract end date, minus • the later of the following: <ul style="list-style-type: none"> • contract start date • 1st day of the applicable payment month. <p>The result should include a day for the contract end date.</p> <p>Example: The contract end date is 05-19-2019 and the payment being processed is for May 2019. Because the contract end date is equal to the payment period month, the contract is eligible for payment but only for 19 days.</p>
earlier than the contract period month	<p>0.</p> <p>Example: The contract end date is 05-31-2019 and the payment being processed is for June 2019. Because the contract end date is earlier than the payment period month, the contract is not eligible for payment.</p>

161 Payment Processing (Continued)

E Determining Contract Eligibility

Contract must be in an “approved” status to be eligible for payment. If there are multiple versions of a contract for a dairy operation, only the versions in an “approved” status are eligible for payment.

F Computing Payments

The system will automatically calculate:

- Tier I payment for the applicable payment period for eligible contracts
- Tier II payment for the applicable payment period for eligible contracts
- Tier I and Tier II payments for the applicable payment period for eligible contracts
- Tier I and Tier II Payments with Buy-Up.

See 1-DMC for actual payment calculations.

161 Payment Processing (Continued)

G Triggering Payments

Payments are triggered through events that occur throughout the system. As a result, processing is behind the scenes. Calculations and determinations occur during the evening and nighttime hours without user intervention. The following table provides trigger types and descriptions.

Trigger Type	Description
Initial	<p>When the average actual dairy production margin for a pay period is less than the coverage level threshold selected by the participating dairy operation, a process automatically runs to determine all CCC-801's that are approved for payment within that margin. This initiates the process described in subparagraph A and does not require any County Office user interaction.</p> <ul style="list-style-type: none"> • Payments will be sent to NPS for certification and signature. • Overpayments will be listed on the Pending Overpayment Report.
Primary	<p>Once the initial payments are triggered, subsequent payments will be initiated when the:</p> <ul style="list-style-type: none"> • status changes on CCC-801 for DMC • average actual dairy production margin for a pay period is determined.
Secondary	<p>Payments that cannot be issued during any payment process are sent to the Nonpayment Report. If a condition causing the producer to be on the Nonpayment Report is corrected, the payment will be triggered to reprocess to determine whether the payment can be issued.</p>
Tertiary	<p>The payment system periodically recalculates all payments when changes occur in external systems, such as SCIMS/BP and Subsidiary.</p>
Manual Triggers	<p>Users are also able to select:</p> <ul style="list-style-type: none"> • a payment for immediate reprocessing from the Nonpayment Report • an overpayment for immediate reprocessing from the Pending Overpayment Report.

161 Payment Processing (Continued)

H Computing Payment and Overpayment Amounts

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

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

The following table describes the high-level system processing sequence to calculate DMC payments for producers.

Step	Action
1	Payment is triggered.
2	Determine whether there is an unsigned payment for the dairy operation in NPS, and if so, cancel the payment in NPS.
3	Determines whether the contract is approved. Commensurate requirements are met and the producer is participating. If not, the contract is not eligible for payment.
4	Determine the gross payment amount for each producer in the dairy operation.
5	Determine whether the producer is an entity or joint operation, and if so, obtain member information from Business File, if applicable.
6	Determine whether the producer and/or members are eligible for payment.
7	Provide the following to direct attribution for each producer in the dairy operation: <ul style="list-style-type: none"> • gross payment amount • reason, if producer is ineligible because of subsidiary eligibility provisions.
8	Direct attribution will determine the following: <ul style="list-style-type: none"> • reduction amounts • net payment or overpayment amount • reasons for nonpayments or overpayments.
9	Provide the payment amount to NPS or update the overpayment amount to the Pending Overpayment Report.
10	Update applicable information to the Common Payment Reports. See 9-CM, Part 5 for information about the Common Payment Reports.

161 Payment Processing (Continued)

I Sequestering DMC Payments

The Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, requires a reduction in payments, also known as a sequester. Whether a payment is sequestered or not depends on when the funding was “obligated”. Obligations are a behind-the-scenes process where the funding is reserved based on what the total possible expenditures of the program will be or the value of the contract or application when it is approved.

Applying sequestration is the last step in the payment process after all reductions have been applied, and before the payment amount is sent to NPS. The:

- payment amount times the sequestration percentage equals the sequestration reduction amount

Note: The resulting payment amount is the DMC payment amount sent to NPS.

- amount is applied at the payment entity level
- amount is not attributed to members.

Note: The sequestration reduction amount will be displayed on the Payment History Report.

J Sequestration Percentage

The sequestration percentage is provided in the following table.

Program Year	Sequestration Percentage
2019	6.2

161 Payment Processing (Continued)

K Common Payment Reports and Sequestered Payments

If the payments for a program year are sequestered, the disclaimers on the various common payment reports will have additional wording and the payment amounts on the common payment reports will either be before or after sequestration was applied. See 9-CM for additional information on the common payment reports.

The following table provides specific information about each report.

Note: Because the sequestration reduction is applied at the payment entity level, the amount displayed on the various common payment reports that are attributed or reduced for members of the entity or joint operation may not add up to the payment amount for the payment entity.

Report	Sequestration Reduction Displayed on Report	Name of Payment Field	Amount Displayed Before or After Sequestration Applied
Submitted Payments Report	Not Applicable Note: Payment reduced will be “Yes” only if reductions other than payment factor and/or sequestration apply.	Amount Submitted	After
Submitted Overpayments Report	Not Applicable	Amount Submitted	Not Applicable
Pending Overpayment Report	Not Applicable	Overpayment Amount	Not Applicable
Nonpayment/Reduction Report	No	Accumulated Amount	Before
Failed Obligations / Insufficient Funds Report	Not Applicable	Calculated Payment Amount	After
Payments Computed to Zero Report	Not Applicable	Not Applicable	Not Applicable
Payment History Report - Summary	Yes	Net Payment	After
Payment History Report - Detail	Yes	Net Payment	After

Note: Not applicable is listed in the table because the associated reports do **not** list reduction amounts.

162 DMC Payment Reports

A Displaying or Printing DMC Payment Reports

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

B DMC Payment Report Information

DMC payment report information is available according to the following table.

Report Name	Type of Data	Reference
Submitted Payments Report	Live	9-CM, paragraph 63
Submitted Overpayments Report	Live	9-CM, paragraph 64
Pending Overpayment Report	Live	9-CM, paragraph 65
Nonpayment/Reduction Report	Live	9-CM, paragraph 66
Failed Obligations / Insufficient Funds Report	Live	9-CM, paragraph 67
Payments Computed in Zero Report	Live	9-CM, paragraph 68
Payment History Report - Summary	Report Database	9-CM, paragraph 69
Payment History Report - Detail	Report Database	Paragraph 203

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

163 Payment History Report - Detail**A Introduction**

The Payment History Report - Detail is a report that provides detailed information about an DMC payment.

B Accessing the Payment History Report - Detail

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

C Information on the Payment History Report - Detail

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

Field	Description
Program Year	Program year selected by the user.
Program Name	Dairy Margin Coverage
State	Full name of the State selected by the user.
County	Full name of the county selected by the user.
Producer Name	Name from SCIMS as follows: <ul style="list-style-type: none"> • for individuals: last name, middle name, first name, and suffix • for businesses: business name.
Date (Report)	Date the report is generated by the user.
Date (Payment)	Date the payment was processed and sent to NPS or the date the overpayment transaction was processed and sent to NRRS.
State/County	State and county code associated with the applicable transaction record.
Payment Entity/Member Name	The "Payment Entity/Member Name" field will provide payment entity or member name information if the DMC Payment History Report – Detail is generated for: <ul style="list-style-type: none"> • an entity or joint operation where amounts were attributed to members • a member to show the payment entity through whom the amount was attributed.

163 Payment History Report – Detail (Continued)

C Information on the Payment History Report – Detail (Continued)

Field	Description
Payment ID Number	Unique number that ties the program history data to the NPS history data.
Business Type	Business type of the producer and/or member.
Contract/ Application/Farm	Dairy Operation ID from CCC-801.
Commodity/ Payment Type	Applicable Payment Period.
Transaction Type	Type of transaction for the information displayed. Transaction type will be 1 of the following: <ul style="list-style-type: none"> • payment • receivable • canceled payment.
Total Reduction Amount	Total reduction amount for all reductions applied to the gross payment.
Reduction Reason	Reason for the reduction applied to the gross payment amount. Note: Applicable reductions reasons will be listed below the Payment Entity or member, as applicable.
Net Payment	Net payment amount for the producer after all reductions have been applied.

164 General Provisions for Canceling Payments**A Canceling Payments**

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

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

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

If the:

- condition causing the incorrect payment is corrected, the system automatically cancels the unsigned payment in NPS and recalculates the payment amount due
- payment amount is determined to be incorrect and the payment has been signed in the NPS system, the payment can no longer be canceled.

Note: The producer will be underpaid or overpaid once the condition causing the incorrect payment has been corrected.

165 Collecting Overpayments

A Introduction

Overpayment amounts are determined by dairy operation and producer. Overpayments can occur for any reason and County Offices are required to take necessary action to collect overpayments.

B Pending Overpayments

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

C Overpayments and Due Dates

The following table lists:

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

Time of Determination	Situation	Overpayment Due Date
Any time.	Payment was issued for the wrong producer.	Immediately
After something affecting the payment amount is changed on CCC-801.	The payment was issued and later something affecting the payment amount changes on CCC-801.	Immediately
After producer misrepresentation is determined.	Producer received a payment and COC determines that the producer misrepresented their interest on CCC-801.	Immediately
After an eligibility value changes that make the producer ineligible for payment.	Producer’s eligibility value changes that makes the producer ineligible for payment.	Immediately
Any time CCC-801 is canceled.	CCC-801 was canceled after payments were issued to the producer.	Immediately.

166 Charging Interest

A Introduction

Program interest shall be charged on all DMC 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 DMC payment
 - conservation compliance provisions are violated
 - controlled substance provisions are **not** met.

Interest for ineligible producers shall be charged from the date of disbursement.

Note: See 64-FI for additional information for updating the receivable to include program interest data.

C When Not to Charge Interest

Interest will not be charged if the producer:

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

Reports, Forms, Abbreviations, and Delegations of Authority

Reports

None.

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		13, 87
CCC-36	Assignment of Payment		160
CCC-37	Joint Payment Authorization		160
CCC-785	Margin Protection Program For Dairy Producers (MPP-Dairy) Premium Repayment Option Election Application		71, 72
CCC-800	Dairy Margin Coverage (DMC) Production History Establishment		151, 160
CCC-801	Dairy Margin Coverage (DMC) Contract and Annual Coverage Election		151, 160, 161, 163, 165
CCC-902	Farm Operating Plan for Payment Eligibility 2009 and Subsequent Program Years		151, 160

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

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviations	Term	Reference
DMC	Dairy Margin Coverage	Text
PDD	Program Delivery Division	1, 2

Delegations of Authority

None.