

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers 2-SP	Amendment 2
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Approved: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 12 A has been amended to include the relevant AGI period for FY 2011.

Subparagraph 21 B has been amended to include a specific county in the example because percentages of allowances vary in Hawaii.

Subparagraph 32 C has been amended to correct the date for changing and modifying FSA-218.

Subparagraphs 35 B and E have been amended to change the date for submitting supporting documentation.

Exhibit 6 has been amended to correct the COLA rate percentages for the following:

- Guam
- Puerto Rico
- U.S. Virgin Islands.

Page Control Chart		
TC	Text	Exhibit
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11 RTCP Program Eligibility (Continued)

E Eligible Entities

An eligible producer under the RTCP Program must share in the risk of producing an agricultural commodity in substantial commercial quantities and be entitled to a share of the agricultural commodity from the agricultural operation. An eligible producer may include any of the following entities engaged in an agricultural operation:

- individual or group of individuals who are citizens of, or legal resident aliens in, the U.S.
- association, cooperative, corporation, estate, partnership, trust, or other business enterprise or other legal entity whose members are a citizen of, or legal resident alien in, the U.S.

F Eligible Agricultural Operation

An eligible agricultural operation for RTCP Program purposes is as follows:

- a parcel or parcels of land; or body of water applicable to aquaculture, whether contiguous or noncontiguous, constituting a cohesive management unit for agricultural purposes
- located in a county in which the principal dwelling is situated, or if there is no dwelling thereon, it will be regarded to be in the county in which the major portion of the land or applicable body of water is located.

12 RTCP Program Eligibility Provisions

A AGI

Producers who certify on CCC-926 that their nonfarm average AGI exceeds \$500,000 are ineligible for RTCP Program benefits. The relevant periods for determining nonfarm average AGI are as follows:

- calendar years 2006 through 2008 for FY 2010
- calendar years 2007 through 2009 for FY 2011.--*

Note: See 4-PL for guidance.

B HELC/WC Provisions

Eligible producers must comply with HELC/WC provisions according to 7 CFR Part 12. If not already completed and on file in the FSA County Office, then producers applying for benefits must certify compliance on AD-1026 **before** RTCP's are issued. See 6-CP for guidance.

C Foreign Person Provisions

Foreign persons legally admitted in the U.S., and in an eligible agricultural operation in an eligible area, are eligible to receive RTCP Program benefits, if they meet the eligibility requirements of paragraph 11 and:

- 7 CFR Part 1400
- 1-PL, Part 3.

See 62-FI, Part 5, for tax reporting guidelines when RTCP's are made to producers that are nonresident aliens.

Part 3 Computing RTCP's

21 RTCP Program Payment Provisions

A Funding

Funding has been made available to producers under the RTCP Program for reimbursement of transportation costs according to the following table.

FY	RTCP Program	Appropriated Funding
2010	RTCP-I	\$2,600,000
2011	RTCP-II	\$1,996,000 <u>1/</u>

1/ After 0.20 percent across-the-board rescission is applied.

Because the spending authority is limited to FY appropriated funding, less a reserve, if funds are not sufficient to cover all FY requests, RTCP's may be prorated by a National factor based on the amount of eligible transportation costs eligible for RTCP.

Although the RTCP Program was authorized for FY's 2008 through 2012, there was no appropriated funding for the RTCP Program for FY's 2008 and 2009. Funds were appropriated for FY 2010 and FY 2011 **only**.

B Basis of RTCP's

RTCP's will be:

- computed based on the amount of costs incurred by the producer for transportation of the agricultural commodity or inputs during a FY and multiplied by applicable percentage of COLA's for the applicable FY in the applicable area

Note: See Exhibit 6 for the applicable COLA's.

***--Example:** Producer A incurred actual transportation costs in Hawaii for FY 2010 totaling \$15,000. The FY 2010 percentage of allowance in Maui County--* Hawaii is 25 percent. $\$15,000 \times 25 \text{ percent} = \$3,750$. Producer A would receive direct reimbursement in the amount of \$3,750.

- subject to \$8,000 per applicant per FY
- subject to assignments, offsets, and withholdings

21 RTCP Program Payment Provisions (Continued)

B Basis of RTCP's (Continued)

- issued after the date announced for submitting supporting documentation and after all FSA-218's have been filed to determine if the funds available are sufficient to pay each applicant.

Note: If funds are not sufficient to cover all requests, then a formula to prorate RTCP amounts will be necessary.

C Advance RTCP's

There will be **no** advance RTCP's issued under the RTCP Program.

D Assignments and Offsets

RTCP's are subject to assignment and offset.

E Direct Deposit Requirement

DCIA requires any recipient of Federal payments who becomes eligible for that payment after July 25, 1996, to receive the payment by EFT. All producers receiving benefits under the RTCP Program must file SF-3881 or retain SF-1199A according to 1-FI, Part 7.

Note: New ACH/Direct Deposit information shall be obtained on SF-3881 only. County Offices may retain prior SF-1199A.

F Accounting Codes

The RTCP Program accounting codes are:

- 10RTCP-2773, for FY 2010 (RTCP-I)
- 11RTCP-2785, for FY 2011 (RTCP-II).

Part 4 RTCP Application Process**31 Applying for RTCP Benefits****A Filing FSA-218's**

Eligible producers must use FSA-218 to apply for RTCP benefits. All persons who share in the risk of transportation cost losses for the applicable FY must certify to the information on FSA-218 **before** being considered complete for review by FSA. More than one FSA-218 is **not** acceptable by the same producers during the eligible signup period.

B FSA-218 Availability

FSA-218 is available electronically at either of the following:

- Public eForms web site at <http://forms.sc.egov.usda.gov/>
- FFAS Employee Forms/Publications Online Website at <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html>.

FSA-218 may also be obtained from the County Office where the agricultural operation is physically located as follows:

- in person
- by FAX
- by mail
- by telephone.

FSA-218's must be completed correctly, signed, and returned to the applicable County Office by COB, on the deadline date for the applicable FY provided in subparagraph 32 A, to be considered eligible for RTCP benefits.

Note: Multi-county producers **must** return completed FSA-218's to their administrative County Office to apply for RTCP benefits.

32 Application Period**A Period for Accepting FSA-218's**

Eligible applicants may file FSA-218 for benefits anytime during the application period for the applicable FY. Completed FSA-218's must be submitted to either the County Office where the agricultural operation is located or in the producer's administrative County Office. Established application periods are as follows:

- August 3, 2010, through September 10, 2010, for FY 2010 (RTCP-I)
- July 25, 2011, through September 9, 2011, for FY 2011 (RTCP-II).

For areas where FSA County Offices do **not** exist, FSA-218's may be submitted to the respective State Office.

B Late-Filed FSA-218's

Late-filed provisions will **not** apply to the RTCP Program. FSA-218's received after the deadline date will **not** be approved. This includes FAXed FSA-218's.

C Changing FSA-218's

Producers, who timely file FSA-218 on or before the application deadline provided in subparagraph A, may change or modify the information on FSA-218 on or before *--November 4 of the applicable year, if supporting documentation cannot be provided. Any--* changes to an already approved FSA-218 **must** be reviewed and approved by STC, COC, or designee.

35 RTCP Documentation**A Supporting Documentation**

To be eligible for reimbursement of actual transportation costs, the producer must provide supporting documentation that substantiates the actual costs incurred for transportation of each eligible agricultural commodity and/or input. Producers will be required to certify on FSA-218 whether he/she have actual documentation.

B Deadline to Submit Supporting Documentation

Producers who request RTCP benefits for actual transportation cost rates **must** submit ~~supporting~~ documentation to the State or County Office by COB November 4 following the applicable FY. If supporting documentation to support actual transportation costs is not received in the State or County Office on or before November 4 following the applicable ~~the~~ FY, the State or County Office will use the approved fixed or set rate established for the applicable agricultural commodity and/or input.

Producers who request RTCP benefits using either the fixed or set transportation cost rate must also submit supporting documentation to the State and County Office by COB ~~November 4 following the applicable FY.~~

C Compliance Checks

Since proof of eligible reimbursement costs incurred will be submitted when FSA-218 is submitted, no further compliance check will be necessary by the State or County Office.

D Documentation Exceeding \$10,000

To alleviate some potential burden on the producer and FSA State and County Offices, supporting documentation exceeding a total of \$10,000 in eligible reimbursement costs incurred per applicant will **not** be required. However, if the County Office determines at the conclusion of signup, based on the amount of applicants, that eligible reimbursable transportation costs do not meet State or County Office's expectations, those applicants must be contacted for the additional supporting documentation.

35 RTCP Documentation (Continued)

E Changing Transportation Cost Category

Producers, who originally submit FSA-218 for a fixed and/or set transportation cost category, can make changes to FSA-218 to request the actual transportation cost category, if supporting documentation to substantiate the actual costs incurred can be provided to the State or *--County Office by COB November 4 following the applicable FY. Any change made to--* the transportation cost category **must** be made in ink and initialed and dated by the producer.

F Verifiable Records

Eligible verifiable records supporting eligible actual, fixed, and set transportation costs include, but are **not** limited to:

- account statements
- bill of lading
- contractual agreements
- financial statements
- invoices
- retail sales receipts.

Verifiable records must show:

- name of producers, except on retail sales receipts
- commodity, unit (quantity), and unit of measure, or unit price
- type of inputs associated with transportation costs
- date of service/sale
- name of person or entity providing the service/sale, as applicable.

Note: Additional supporting documents may be requested from the producer, as necessary, to help STC or COC determine whether the quantity of inputs claimed is reasonable.

G Other Applicable Forms

The following forms are also required to apply for RTCP benefits:

- AD-1026, for HELC/WC compliance
- CCC-901, as applicable
- CCC-902I or CCC-902E
- CCC-926, for AGI compliance.

Nonforeign Area COLA's

The following table provides COLA rate percentages that will be used to compute RTCP benefits.

Nonforeign Area COLA Rates		
Geographic Coverage		Rate (%)
Alaska	City of Anchorage and 80-kilometer (50-mile) radius by road	23
	City of Fairbanks and 80-kilometer (50-mile) radius by road	23
	City of Juneau and 80-kilometer (50-mile) radius by road	23
	Rest of Alaska	25
Hawaii	City and County of Honolulu	25
	County of Hawaii	18
	County of Kauai	25
	County of Maui and County of Kalawao	25
	American Samoa	25
	Federated States of Micronesia	14
	Republic of the Marshall Islands	14
	Republic of Palau	14
Guam	Territory of Guam and Commonwealth of the Northern Mariana Islands	*--25
Puerto Rico	Commonwealth of Puerto Rico	14
Virgin Islands	U.S. Virgin Islands	25--*

Note: The lowest COLA rate percentage will be used for any geographic coverage areas not listed in the above table.

