FSA
HANDBOOK

Common Payment System

To access the transmittal page click on the short reference.

For State and County Offices

SHORT REFERENCE

9-CM

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

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Farm Service Agency
Washington, DC 20250

Common Payment System 9-CM	Amendment 2

Approved by: Deputy Administrator, Farm Programs

Amendment Transmittal

A Reasons for Amendment

Paragraph 17 has been amended to provide additional information on overpayment processing, including implementation of a 10-day hold process that allows County Offices to take corrective action for overpayment amounts determined by the system that are not legitimate debts to CCC.

Paragraph 65 has been amended to provide:

- additional information on the Pending Overpayment Report and how it should be used in conjunction with the 10-day hold process

  Note: The Pending Overpayment Report will be a phased release. An Information Bulletin will be issued each time the Pending Overpayment Report becomes available for a program.

- information on the options available for manually transferring overpayments to NRRS

- information on the option for reprocessing overpayments following updates to the system.

Exhibit 10 has been added to identify commodity descriptions used for LIP.

Page Control Chart		
TC	**Text**	**Exhibit**
1, 2	2-13 through 2-14 2-15 2-16 (add) 2-17 (add) 5-25, 5-26 5-26.5 through 5-26.8 (add) 5-27 through 5-30 5-35 through 5-38 5-38.5, 5-38.6 (add)	10, pages 1, 2 (add) page 3 (add)

Table of Contents

		Page No.
Part 1	**Basic Information**	
1	Handbook Purpose, Related Handbooks, and Sources of Authority	1-1
2-10	(Reserved)	
Part 2	**General Payment Policy**	
11	Overview	2-1
12	Eligible ID and Business Types	2-2
13	Payment Eligibility	2-6
14	Cropland Factor	2-8
15	Payment Limitation	2-10
16	Joint Operations and Entities	2-12
17	General Provisions for Overpayments	2-14
18-24	(Reserved)	
Part 3	**Direct Attribution**	
25	Overview	3-1
26	Determining Payment Entity Ownership Share	3-3
27	Three Member Level Rule	3-6
28	Attribution Share	3-8
29	Controlling Payment Limitation	3-13
30-34	(Reserved)	
Part 4	**Common Payment Process**	
35	Overview	4-1
36	Common Payment Process Concept	4-2
37	Payment Triggers	4-4
38	Initiating a Payment	4-6
39	Checking Payment Eligibility	4-8
40	Transferring Information to NPS or NRRS	4-14
41-50	(Reserved)	

Table of Contents

Page No.

Part 5 Common Reports System

Section 1 Basic System Information

51 Overview 5-1
52 Access to Common Payment Reports System 5-3
53 Common Payment Reports Home Page 5-4
54 Common Payment Reports Menu 5-6
55 Search Criteria Selection Page 5-7
56-60 (Reserved)

Section 2 Common Payment Reports

61 General Report Information 5-21
62 Estimated Calculated Payment Report 5-22
63 Submitted Payments Report 5-23
64 Submitted Overpayments Report 5-25
65 Pending Overpayments Report 5-26
66 Nonpayment/Reduction Report 5-28
67 Insufficient Funds Report 5-34
68 Payment Computed to Zero Report 5-36
69 Payment History Report – Summary Level 5-37
70 Payment History Report – Detail Level 5-40

Exhibits

1 Reports, Forms, Abbreviations, and Redelegations of Authority
2 Definitions of Terms Used in This Handbook
3 Menu and Screen Index
4 Payment Eligibility Overview
5 DCP/ACRE Payment Eligibility Certifications/Determinations
6 Disaster Assistance Program Payment Eligibility Certifications/Determinations
7-9 (Reserved)
10 Commodity Types Used by Common Payment Reports

Part 1 Basic Information

1 Handbook Purpose, Related Handbooks, and Sources of Authority

A Handbook Purpose

This handbook:

- provides information related to the common payment process for web-based payment applications
- describes general policy applicable to payments administered by FSA
- provides policy and procedure information related to direct attribution
- provides a comprehensive description of the common payment system and how payments using this system are processed
- describes a series of standardized reports developed to assist State and County Offices with the administration of program payments.

B Related Handbooks

The following FSA handbooks are related to farm program payment applications and payments.

Topic	Related Handbook
Adding customers or maintaining SCIMS information	1-CM
Procedure for updating HEL and WC determinations in the web-based system	3-CM
Payment reductions and violations	4-CP
Policy about HEL and WC provisions	6-CP
Policy about DCP and ACRE	1-DCP (Rev. 3)
Procedure for recording DCP and ACRE contract data in the web-based system	2-DCP (Rev. 1)
Depositing remittances	3-FI
Accounting payment process	6-FI
Policy about claims and withholdings	58-FI
Policy for handling prompt payment interest penalties	61-FI
Policy for reporting data to IRS	62-FI
Policy for assignments and joint payees	63-FI
Procedure for establishing receivables in NRRS	64-FI
Procedure for establishing and reporting debts in CRS	67-FI

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

B Related Handbooks (Continued)

Topic	Related Handbook
DD review responsibilities	3-IC
Policy about LIP, LFP, and ELAP	1-LDAP
Policy about payment limitation provisions including determinations for “actively engaged in farming”, “person”, and AGI eligibility	1-PL
Software procedure for recording information in the joint operation and permitted entity files on the System 36	2-PL
Software procedure for recording eligibility determinations and certifications, combined producer information, and payment limitation in the web-based environment	3-PL (Rev. 1)
Policy about payment limitation provisions including determinations for “actively engaged in farming”, direct attribution, and AGI eligibility for 2009 and subsequent crop years	4-PL
Policy about SURE	1-SURE
Policy about TAP	1-TAP

C Sources of Authority for Direct Attribution Provisions

The Food, Conservation, and Energy Act of 2008 amended the Food Security Act of 1985 to provide for the following:

- payments are limited by direct attribution to persons and legal entities
- the permitted entity rule was **repealed**

  Note: Payments can be received through any number of legal entities with **no** designation required.

- restricted payment to Federal and State/local governments
- created new rules for eligibility based on average AGI.

See 4-PL for additional information.

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

D Sources of Authority for "Person" Provisions

Authority for the administration of the payment limitation and payment eligibility provisions is provided by Sections 1001, 1001A, 1001B, 1001C, and 1001D of the Food Security Act of 1985. The Omnibus Budget Reconciliation Act of 1987 and subsequent acts amended the Food Security Act of 1985 to:

- define the term "person"
- provide that a State, political subdivision, and agencies thereof are considered 1 "person"
- provide the rules under which a husband and wife may be separate "persons"
- include "cash rent tenant" provisions
- require that producers be "actively engaged in farming" to be eligible for certain programs
- limit payment to foreign persons
- limit the creation of entities to qualify as separate "persons" for payments.

See 1-PL (Rev. 1) for additional information.

E Sources of Authority for Program-Specific Provisions

Sources of authority for other payment eligibility provisions are provided in the handbook published for the applicable program.

2-10 (Reserved)

Part 2 General Payment Policy

11 Overview

A Common Payment Process

Each program administered by FSA has payment eligibility rules and provisions that must be applied when determining whether a producer is eligible to receive a payment or a program benefit. While all rules and provisions may not apply to all programs, the provisions of those rules are generally consistent from one program to the next if the rule is applicable.

Example: Cash rent tenant provisions are not applicable to SURE, so it is not checked when processing SURE payments.

However, cash rent tenant provisions are applicable to DCP and ACRE. When determining whether the producer meets these provisions, the same eligibility conditions apply to both DCP and ACRE.

B Included In This Section

This section includes general provisions that are applicable when determining whether payment entities or members of a joint operation or entity are eligible to receive payment or program benefits.

The rules in this section are used by the common payment process described in Part 4.

Note: Refer to the applicable program handbook for exceptions that may apply.

12 Eligible ID and Business Types

A Importance of Recording Data Correctly in SCIMS

The common payment process uses information recorded in SCIMS to properly process each payment. The SCIMS information is used to determine:

- which rules apply to the particular type of operation that has applied for the program benefit or payment
- whether the payment entity and/or member is eligible to receive payment.

It is critical that information recorded in SCIMS is accurate and maintained according to 1-CM. Failure to do so could result in issuing improper payments.

B Eligible Business Types

Depending on the rules applicable to the program, statutes may prohibit payment to producers with certain business types. Without regard to applicable eligibility provisions that apply to each specific program, this table identifies all the business types in SCIMS and specifies which business types are generally eligible for payment under direct attribution or "person" provisions. See the applicable program handbook for possible exceptions.

SCIMS Business Type Name	SCIMS Business Type	Eligible	Not Eligible	Eligible for Certain Programs
Individual (Unknown, none of the above, not applicable)	00 (01 on System 36)	✓		
General Partnership	02	✓		
Joint Venture	03	✓		
Corporation	04	✓		
Limited Partnership	05	✓		
Estate	06	✓		
Trust-Revocable (using a Social Security or employer ID number)	07	✓		
Federal Owned	08		✓	
State and Local Government	09			see subparagraph C

12 Eligible ID and Business Types (Continued)

B Eligible Business Types (Continued)

SCIMS Business Type Name	SCIMS Business Type	Eligible	Not Eligible	Eligible for Certain Programs
Churches, Charities, and Non-Profit Organizations	10	✓		
Public School	13			see subparagraph D
Bureau of Indian Affairs	14		✓	
Indians Represented by Bureau of Indian Affairs	15	✓		
Trust Irrevocable	17	✓		
Individual Operating as a Small Business	18	✓		
Indian Tribal Venture	20 (14 on System 36)	✓		
Limited Liability Company (using a Social Security or employer ID number)	22 (04 on System 36)	✓		
Financial Institution	23		✓	
News Media	48		✓	
Public Body	97		✓	
Other	98		✓	
General Entity Member	99		✓	

C Special Provisions for State and Local Governments

Generally State and local governments were eligible to receive payment before enactment of the Food, Conservation, and Energy Act of 2008.

Payments to State and local governments are not authorized for 2009 and future years except for multi-year contracts approved before October 1, 2008, such as those applicable to CRP and EQIP. Under those programs, State and local governments continue to be eligible under the terms and conditions of the contract originally approved. See the following for additional information:

- 4-PL for payment limitation and payment eligibility provisions
- program-related handbook for specific program eligibility provisions.

12 Eligible ID and Business Types (Continued)

D Special Provisions for Public Schools

Generally public schools were eligible to receive payment before enactment of the Food, Conservation, and Energy Act of 2008. For 2009 and future years, public schools are only eligible to receive payment if both of the following apply:

- land for which payments are received is owned by the State, political subdivision, or agency thereof
- payments are used solely for the support of public schools.

If both conditions are:

- met, then the payment entity must be classified in SCIMS as a “public school”
- not met, then the payment entity cannot be classified as a “public school”.

See the following for additional information:

- 1-CM for information on recording business types in SCIMS
- program-related handbook for specific program eligibility provisions.

12 Eligible ID and Business Types (Continued)

E Eligible ID Types

The following tax ID types are eligible for payment if the business type is also eligible for the applicable program.

Tax ID Type	Eligible Business Types
Social Security Number	• Individual • Revocable Trust • Limited Liability Company
Employer ID Number	• General Partnership • Joint Venture • Corporation • Limited Partnership • Estate • Revocable Trust • State and Local Government • Churches, Charities, and Non-Profit Organizations • Public School • Irrevocable Trust • Individual Operating as a Small Business • Indian Tribal Venture • Limited Liability Company
Federal ID Number	Federal Owned
IRS-Issued ID Number	Individual
No Tax ID	Indians Represented by BIA

13 Payment Eligibility

A Payment Subsidiary Eligibility for Individuals

The web-based eligibility system, as determined by the applicable program, is read to determine whether an individual is eligible to receive payments.

Note: See the applicable exhibit to determine which eligibility determinations/certifications apply to the program and are eligible conditions for which payments may be issued to an individual.

B Payment Subsidiary Eligibility for Joint Operations and Members

The web-based eligibility system, as determined by the applicable program, is read to determine whether a joint operation is eligible to receive payments.

If it is determined that the joint operation is eligible to receive payments, the web-based eligibility system is read to determine whether the first level members of the joint operation are also eligible to receive payments. If 1 or more of the first level members is also a joint operation, the web-based eligibility system is read to determine whether the members of the embedded joint operation are eligible to receive payments. This process is continued until eligibility has been checked for all members of embedded joint operations.

See Exhibit 4 for additional information.

13 Payment Eligibility (Continued)

C Payment Subsidiary Eligibility for Entities and Members

The web-based eligibility system, as determined by the applicable program, is read to determine whether an entity and/or members of an entity are eligible to receive payments.

If it is determined that the entity is eligible to receive payments, the web-based eligibility system is read to determine whether the members of the entity are eligible. Generally, only AGI compliance and foreign person provisions are applicable to members of entities.

See Exhibit 4 for additional information.

D Payment Subsidiary Eligibility for Entities Without Members

The following entities may be eligible for payments but do not have members with an ownership interest:

- revocable trust using a Social Security number
- limited liability company using a Social Security number
- State, Federal, and local government
- churches, charities, and non-profit organizations
- public schools
- Indian tribal ventures
- Indians represented by BIA.

The web-based eligibility system, as determined by the applicable program, is read to determine whether an entity is eligible to receive payments.

See Exhibit 4 for additional information.

14 Cropland Factor

A Introduction

The cropland factor, if applicable, must be entered in the web-based eligibility system if the producer or member does not meet or partially meets cash rent tenant provisions. The cropland factor affects the calculation of payments as well as the calculation of effective payment limitation, if cash rent tenant provisions apply to the program.

Note: Cash rent tenant provisions are only applicable to a limited number of programs, such as DCP and ACRE. See Exhibit 4 or the applicable program handbook for payment eligibility provisions applicable to each program.

B Cropland Factor Affect on Calculation of Payment for Payment Entity

If cash rent tenant provisions apply to the program, the cropland factor affects the calculation of the payment.

Example: Individual has a 50 percent cropland factor. The gross payment calculates to $100. When cropland factor is applied, the individual's payment is calculated to $50 to reflect the 50 percent reduction.

C Cropland Factor Affect on Effective Payment Limitation for Entity

If cash rent tenant provisions apply to the program, the cropland factor affects the calculation of effective payment limitation.

Example: Entity has a 100 percent cropland factor. The gross payment calculates to $100. All members of the entity have cropland factors of 0 percent because COC has determined the members do not meet cash rent tenant provisions. The members' cropland factor has no affect on the calculation of the $100 payment; however, it does affect the calculation of the effective payment limitation for each member. The application of 0 percent cropland factor to each member's payment limitation results in an effective payment limitation of $0 for the each member.

Since the payment cannot be attributed to the member, because of payment limitation, the amount payable to the entity is reduced by that member's ownership interest. In this example, the entity would have a $0 effective payment limitation.

Note: A cropland factor is not applicable for members of entities unless an actual cash rent tenant determination has been made by COC for the member. Typically, this determination is not made for members of entities unless the member has a separate farming operation.

14 Cropland Factor (Continued)

D Cropland Factor Affect on Calculation of Payment and Effective Payment Limitation for Joint Operation

The cropland factor affects:

- the calculation of payment for a joint operation
- both the calculation of payment and effective payment limitation for the members.

Example: A Joint operation has a cropland factor of 50 percent. The joint operation consists of 2 members of which 1 has a cropland factor of 100 percent and the other has a cropland factor of 20 percent. The gross payment calculates to $100. The joint operation's 50 percent cropland factor is applied resulting in a calculated payment of $50. The members' cropland factor of 100 percent and 20 percent are then applied resulting in a calculated payment of $30. Effective payment limitation for each member of the joint operation has been reduced by 50 percent because of the joint operation's cropland factor.

15 Payment Limitation

A Specific Program Payment Limitations

The following indicates the applicable payment limitations for a person or legal entity for specific programs.

Program	Additional Information	Payment Limitation Per Year (2008 and future)
DCP Direct and ACRE Direct, except peanuts	If the person or legal entity is enrolled in ACRE, this limitation will be reduced. The maximum reduction applicable is $8,000.	$40,000
DCP Direct and ACRE Direct, peanuts only		$40,000
DCP Counter-Cyclical and ACRE, except peanuts	If the person or legal entity is enrolled in ACRE, this limitation will be increased. The maximum increase applicable is $8,000.	$65,000
DCP Counter-Cyclical and ACRE, peanuts only		$65,000
ELAP, LFP, LIP and SURE	One payment limitation applies collectively to all payments issued under these programs for the applicable program year.	$100,000
TAP		$100,000

See 1-PL, 4-PL, or the applicable program handbook to determine whether adjustments to the program payment limitation are applicable.

Note: See:

- 1-PL for payment limitation provisions for 2008 and prior years
- 4-PL for payment limitation provisions for 2009 and future years.

15 Payment Limitation (Continued)

B Calculating Effective Payment Limitation

Use the following calculation to determine the effective payment limitation:

- program payment limitation, times
- attribution share, times
- cropland factor, if applicable to the program, plus or minus
- payment limitation adjustments.

See the following for additional information:

- paragraph 28 for determining attribution share
- paragraph 14 for determining applicability of cropland factor
- 3-PL, 4-PL, or the applicable program handbook for program adjustments.

C Calculating Available Payment Limitation Balance

Use the following calculation to determine the available payment limitation balance:

- effective payment limitation, minus

- prior payments issued or attributed to the payment entity/member, minus

- prior payments issued or attributed to another producer that is combined with the payment entity/member.

Example: $40,000 (effective payment limitation)
- $10,000 (payments issued or attributed)
$30,000 (available payment limitation balance)

16 Joint Operations and Entities

A Introduction

The Food, Conservation, and Energy Act of 2008 provides that the payment amounts shall be "attributed to a person by taking into account the direct and indirect ownership interests of the person in a legal entity that is eligible to receive the payments."

For the common payment process, member data for joint operations and entities is read from the mainframe based on data that has been uploaded from permitted entity and joint operation data recorded by the County Office on the System 36.

B Obtaining Member Data

The Food, Conservation, and Energy Act of 2008 provides that each legal entity receiving payments shall provide the name and Social Security number of each person, or the name and TIN of each legal entity that holds or acquires an ownership interest in the legal entity.

Based on statutory requirements, if a member chooses not to provide TIN, then the entire payment entity is ineligible for payment.

Exception: Some entities do not have members with an ownership interest. Member data is not required to be recorded for these types of entities. See subparagraph 13 D for a list of entities without members.

16 Joint Operations and Entities (Continued)

C Recording Member Data on the System 36

County Offices shall follow 2-PL to record member data through the joint operation and entity files on the System 36.

Reminder: Data is uploaded to the mainframe through the normal subsidiary upload process. It may take from 4 calendar days to 2 weeks for the data to upload and be processed on the mainframe before it is available for use by the common payment process.

D Multi-County Producers

If the joint operation or entity is a multi-county producer, then the member data is only read from the county designated as the multi-county control county. If the County Office issuing the payment is not designated as the multi-county control county for the payment entity, then the information that the county has loaded in the joint operation/entity file is not read.

Note: The multi-county control county is listed in the “multi-county” section of the MABDIG in the “Rc St & Cty” field.

Although the member data is only read for the multi-county control county, it is imperative that County Offices coordinate with all counties where the producer participates to ensure that the joint operation/entity file data is recorded accurately. If a new CCC-902E is filed on behalf of the joint operation/entity, that information must be provided to the multi-county control county as soon as possible so the joint operation/entity file data can be corrected. Failure to do so could result in payments being attributed incorrectly to members which could result in issuing improper payments.

Note: See 2-PL for additional information.

17 General Provisions for Overpayments

A Introduction

*--The common payment process is an integrated process that reads data from many systems to determine whether payments issued to a producer were earned in-full or in-part. These systems include, but are not limited to the following:

- application process for the applicable program
- subsidiary system including data about eligibility, combined producer, and entity file data
- SCIMS.

If something changes in any of these systems, the common payment process is automatically triggered to recalculate the payment. The producer is overpaid if the information that has been changed results in the current calculated payment amount to be less than the amount originally paid to the producer.

B Rules for Transferring Overpayment Amounts to NRRS

Legitimate debts payable to CCC shall be transferred to NRRS **immediately** upon identification so the producer is timely notified and debt collection procedures are initiated. For any overpayment amount calculated as $1 or greater, the system will automatically transfer the overpayment to NRRS.

Note: Overpayments can result when updates are made to supporting files that are not necessarily legitimate debts. See subparagraph C for information on corrective action that should be taken to ensure that amounts that are not legitimate debts are not transferred to NRRS.--*

17 General Provisions for Overpayments (Continued)

*--C 10-Day Hold

The system will automatically transfer overpayments to NRRS. However, a 10-day hold process has been developed that provides County Offices with the opportunity to take corrective action if an overpayment is computed in error.

The 10-day clock starts on the date the overpayment is initially computed. If the payment amount or reason for the overpayment changes, then the 10-day clock will be reset so County Offices can determine if additional corrective action is required.

Overpayments will automatically be transferred to NRRS on the 10th workday following the date the overpayment was first identified unless corrective action is taken to update the system by the County Office.

Note: Overpayments transferred to NRRS will no longer be listed on the Pending Overpayment Report. The overpayment information will be listed on the Submitted Overpayments Report. See paragraph 64 for information on the Submitted Overpayments Report.

Exception: Overpayments determined for DCP direct, DCP counter-cyclical, and ACRE direct payments **during the advance payment cycle**:

- are **not** automatically transferred 10 workdays from the date the overpayment is determined
- are automatically transferred to NRRS before the final payment process is run
- should be transferred to NRRS immediately if the overpayment is determined to be a legitimate debt.

Note: See 2-DCP (Rev. 1) to determine when overpayments identified during the advance payment cycle should be transferred to NRRS before the final payment cycle runs.

D Overpayment Reports

The following 2 reports are available through the Common Payment Reports System to identify overpayment amounts.

- Submitted Overpayment Report which identifies overpayments that have been transferred to NRRS. See paragraph 64 for additional information on this report.
- Pending Overpayment Report which identifies computed overpayment amounts that have not yet been transferred to NRRS. This report includes overpayments on hold for 10 workdays or overpayments identified during advance payment cycles. See paragraph 65 for additional information on this report.**--***

17 General Provisions for Overpayments (Continued)

*--E Handling Debts Less than $100

All legitimate debts, regardless of amount, shall be transferred to NRRS. County Offices shall follow 58-FI for handling receivables less than $100.

F Debt Basis Codes

The system automatically assigns the debt basis code to the receivable when it is transferred to NRRS, based on the type of condition that generated the overpayment. The following are the debt basis codes applicable to programs using the common payment process.

IF the reason the payment entity/member is overpaid is because of…	THEN the discovery/debt basis reason sent to NRRS is…
payment eligibility because of fraud	10-423.
payment limitation issues	10-426.
payment eligibility, except fraud	10-427.
prior payments exceed the current payment	10-428.

--*

G Charging Interest

Generally interest shall be charged on receivables from the date the original payment was disbursed if COC determines that the producer is ineligible because of the following reasons.

- Producer signed to information on the applicable application or contract that is subsequently determined inaccurate.
- Producer erroneously or fraudulently represented any act affecting a payment eligibility determination.
- Producer knowingly adopted a scheme or device that tends to defeat the purposes of the program.

17 General Provisions for Overpayments (Continued)

G Charging Interest (Continued)

Generally, interest shall not be charged from date of disbursement if:

- overpayment resulted based on revised information that the producer would not have had reason to know was invalid, such as the calculation of the RMA guarantee basis

- FSA National, State, or County Office erred

- producer voluntarily refunds the payment that was issued and COC has not determined that the producer is ineligible.

Notes: Software does not currently support charging interest from the date of disbursement. Any receivable established is sent to NRRS with the current system date. If the receivable is not repaid within 30 calendar days from the date the initial notification letter is issued, interest will start accruing from the date the receivable was established.

If COC determines that the producer is ineligible and interest should be charged from the date of disbursement:

- County Offices shall contact their State Office for assistance
- State Offices shall contact OBF for guidance.

See the applicable program handbook for any exceptions that may apply to each specific program.

18-24 (Reserved)

Part 3 Direct Attribution

25 Overview

A Statutory Requirements

The Food, Conservation, and Energy Act of 2008:

- provides that "each payment made directly to a person shall be combined with the pro rata interest of the person in payments received by a legal entity in which the person has a direct or indirect ownership interest unless the payments of the legal entity have been reduced by the pro rata share of the person"

- provides that "each payment made to a legal entity shall be attributed to those persons who have a direct or indirect ownership interest in the legal entity unless the payment to the legal entity has been reduced by the pro rata share of the person"

- repeals the 3-entity rule whereby individuals were required to designate up to 3 payment entities through which they chose to receive payment.

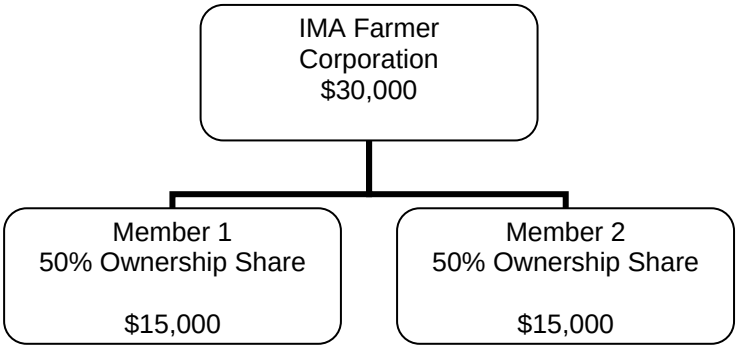
B Basic Concept

The basic concept for direct attribution is that:

- amounts payable to a joint operation or entity will be attributed to the members based on each member's ownership interest in the farming operation

- payment limitation provisions will be applied to the members of joint operations and entities, thereby potentially affecting the payment amount that can be issued to the joint operation or entity.

Example: IMA Farmer is a corporation earning a $30,000 DCP-Direct payment. There are 2 members, each with a 50 percent ownership interest. Assuming all eligibility requirements are met, the payment will be attributed to the members as follows.



25 Overview (Continued)

C Entities Without Members

Although the statute requires that payments to legal entities be attributed to members with an ownership interest, there are some legal entities that do not have members with a direct or indirect ownership interest. As such, payment amounts are not attributed to members of the following entities:

- revocable trust using a Social Security number
- church, charity, or non-profit organization
- public school
- Indians represented by BIA
- Indian tribal venture
- limited liability company using a Social Security number.

26 Determining Payment Entity Ownership Share

A Introduction

Before amounts can be attributed to members of joint operations and entities, the payment entity ownership share must be computed for each member of the operation. This paragraph describes how the payment entity ownership share is computed.

B Determining Whether Organizational Structure Is Valid

As a condition of payment eligibility, each legal entity (joint operation or entity) applying for program benefits must provide the name and TIN of each member with an ownership interest. Failure to provide a TIN for each member in the farming operation will result in the entire payment entity being ineligible for payment.

Once the member information has been collected on CCC-901 or CCC-902E, as applicable, County Offices shall record the member data in the joint operation or entity file according to 2-PL.

Reminder: The joint operation/entity file data must be uploaded to the mainframe to be accessible to web-based payment systems. The upload process may take up to 14 calendar days to upload and process. See paragraph 16 for additional information.

26 Determining Payment Entity Ownership Share (Continued)

C Computing Member Ownership Interest

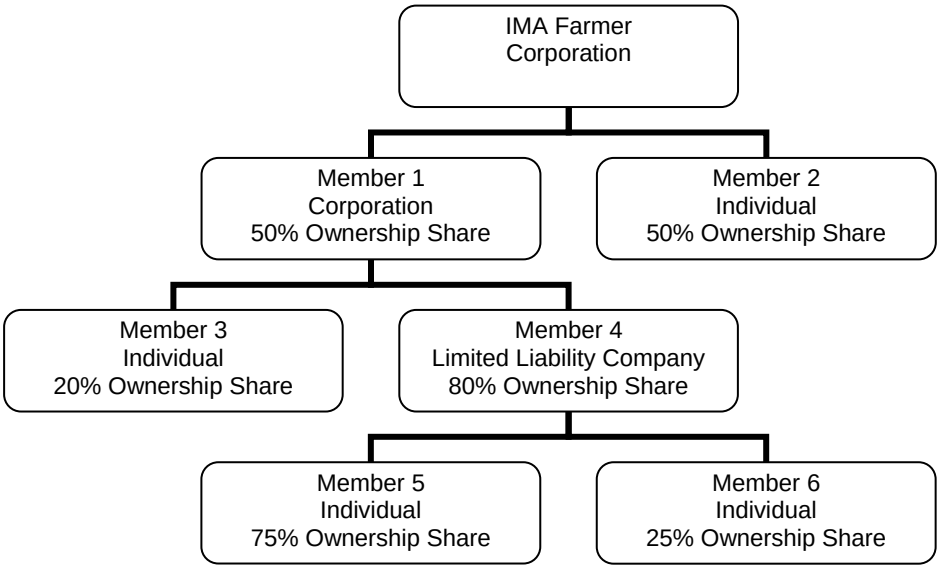
If all the direct members of the joint operation or entity are individuals, then the ownership interest is equivalent to the actual share recorded in the joint operation/entity file on the System 36. However, if 1 or more of the direct members is another joint operation or entity, then the members' ownership share must be computed.

Member ownership shares are computed by multiplying the following:

- share of the embedded entity, times
- direct (actual) share of the member of the embedded entity.

This calculation may need to be repeated if there are multiple embedded entities in the organizational structure.

Example: IMA Farmer is a corporation with the following organizational structure.



In this example, the following is applicable:

- Members 1 and 2 have a direct (actual) share in IMA Farmer Corporation of 50 percent each

- Members 3 and 4 have a direct (actual) share in Member 1 of 20 percent and 80 percent respectively

- Members 5 and 6 have a direct (actual) share in Member 4 of 75 percent and 25 percent respectively.

26 Determining Payment Entity Ownership Share (Continued)

C Computing Member Ownership Interest (Continued)

The payment entity ownership shares are determined for the members of IMA Farmer Corporation as follows.

Member Level	Member	Payment Entity Ownership Share	Computation
1	1	50 percent	Actual share as recorded in the joint operation or entity file.
	2	50 percent	
2	3	10 percent	• 50 percent member ownership share of Member 1, times • 20 percent member ownership share.
	4	40 percent	• 50 percent member ownership share of Member 1, times • 80 percent member ownership share.
3	5	30 percent	• 50 percent member ownership share of Member 1, times • 80 percent member ownership share of Member 4, times • 75 percent member ownership share.
	6	10 percent	• 50 percent member ownership share of Member 1, times • 80 percent member ownership share of Member 4, times • 25 percent member ownership share.

Assuming all other eligibility requirements are met, payment amounts will be attributed to each member of IMA Farmer Corporation based on the payment entity ownership share computed in this table.

27 Three Member Level Rule

A Statutory Requirements

The Food, Conservation, and Energy Act of 2008 provides that attribution of payments made to legal entities shall be traced through 4 levels of ownership. The levels are defined according to this table.

Statutory Level	Description as Recorded in the Joint Operation/Entity File
1st	Payment entity requesting the program benefit or payment.
2nd	1st level (direct) member of the joint operation or entity.
3rd	2nd level member of the joint operation or entity. **Note:** This is also the direct member of the 1st level joint operation or entity.
4th	3rd level member of the joint operation or entity. **Note:** This is also the direct member of the 2nd level joint operation or entity.

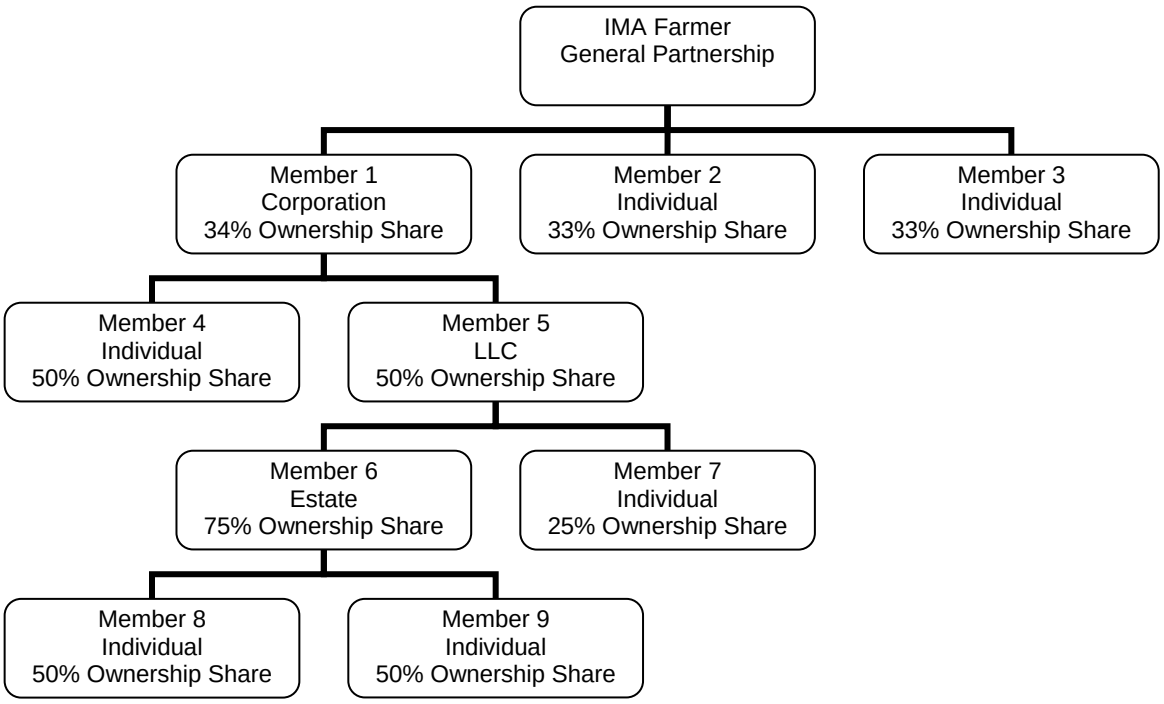
The joint operation and entity files on the S/36 allow entry of up to 5 member levels, however if the 3rd member level (4th statutory level) of a joint operation or entity is not any of the following business types, then the payment will be reduced by that member's payment entity ownership share:

- individual
- revocable trust using a Social Security number
- church, charity, or non-profit organization
- public school
- Indians represented by BIA
- Indian tribal venture
- limited liability company using a Social Security number.

27 Three Member Level Rule (Continued)

B Example

IMA Farmer General Partnership is structured as follows.



In this example, Member 6 is a 3rd level member of IMA Farmer General Partnership and does not meet the three member level rule requirement because it is an estate. Therefore:

- the payment to IMA Farmer General Partnership will be reduced by 12.75 percent (payment entity ownership share) because of Member 6's ineligiblity

  Note: The payment entity ownership share is computed by multiplying:

  - 34 percent ownership share for Member 1, times
  - 50 percent ownership share for Member 4, times
  - 75 percent ownership share for Member 6.

- a reduction will be recorded by the system for Member 6 indicating they do not meet the three member level rule

- amounts will not be attributed to Member 8 and Member 9.

28 Attribution Share

A Introduction

The attribution share is the share used to determine the following:

- payment amount that should be attributed to eligible members of joint operations and entities
- effective payment limitation for payment entities and members.

B Determining Attribution Share

Multiple factors affect how the attribution share is computed and depend on which rules are applicable to the specific program. Factors include the following:

- permitted entity eligibility
- AGI eligibility
- foreign person eligibility
- member contribution eligibility
- substantive change eligibility
- 3 member level eligibility.

The attribution share is applied at the lowest member level and then the shares for eligible members are accumulated to the entity or joint operation level. If there are embedded entities, the eligible member shares are first accumulated to the embedded entity then accumulated up to the payment entity.

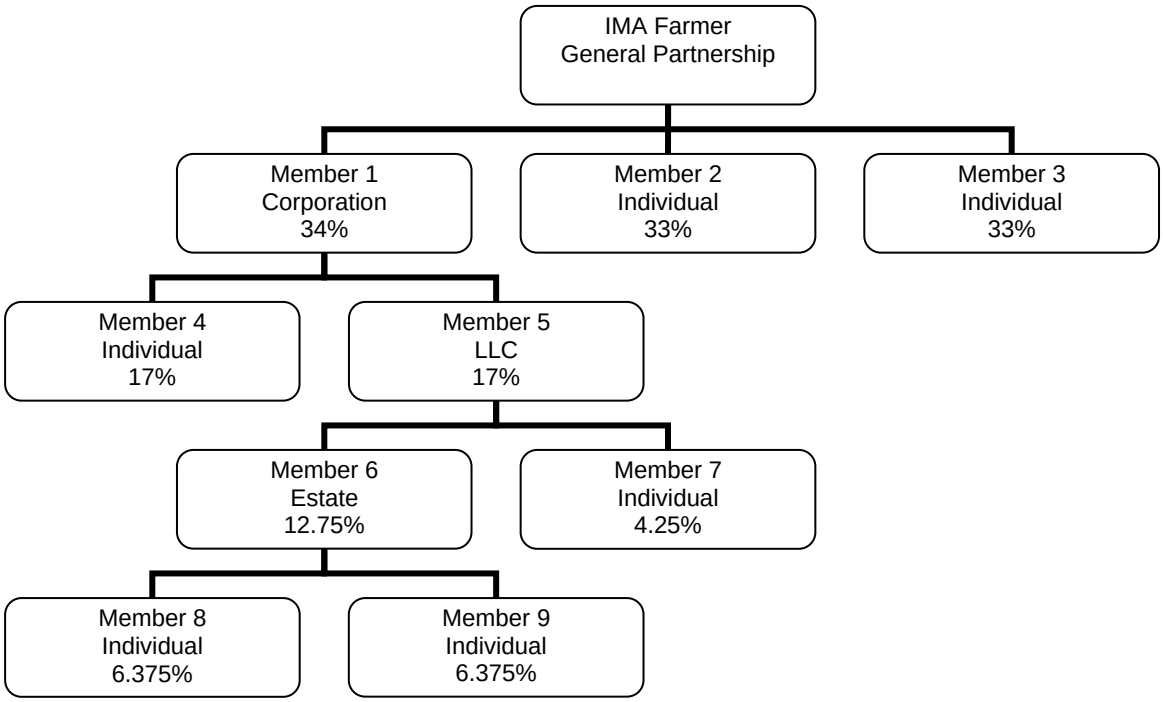
The attribution share is also affected by the rules applicable to the program. For example, member contribution only applies to DCP, so an ineligible member contribution for a member would not affect the attribution share for a program such as SURE.

28 Attribution Share (Continued)

C Example of Attribution Shares

The following is the organizational structure for IMA Farmer General Partnership and is the basis for the following examples.

Note: The shares reflected for each member are the payment entity ownership shares. See paragraph 26 for additional information.



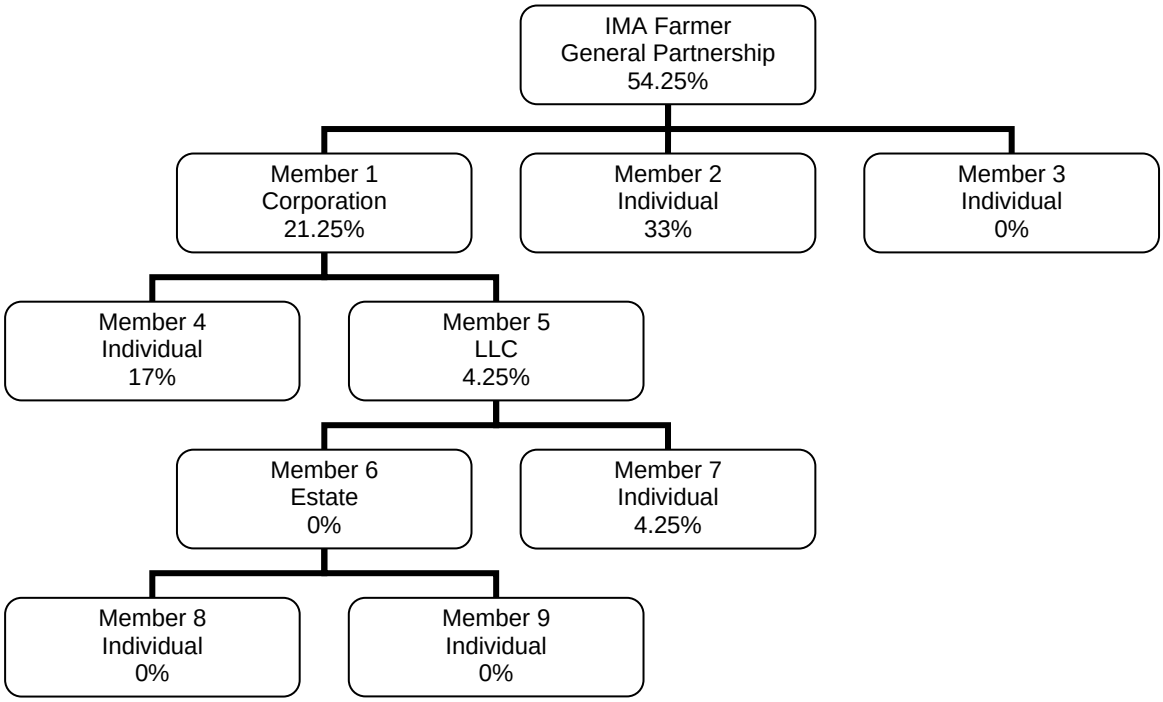
28 Attribution Share (Continued)

D Example 1

IMA Farmer General Partnership has applied for 2010 DCP payments.

- Permitted entity rules are not applicable to 2010 DCP payments.
- Member 3 does not meet AGI provisions.
- All members meet foreign person provisions.
- All members meet member contribution provisions.
- All members meet substantive change provisions.
- Member 6 is a 3rd level member that is not an individual.

The attribution shares are determined as follows.



In this example, each ineligible member's attribution share is set to 0 percent. The shares are then accumulated from the lowest member level up to the payment entity.

IMA Farmer is only eligible to receive 54.25 percent of the calculated payment before payment limitation is applied to the members of the joint operation.

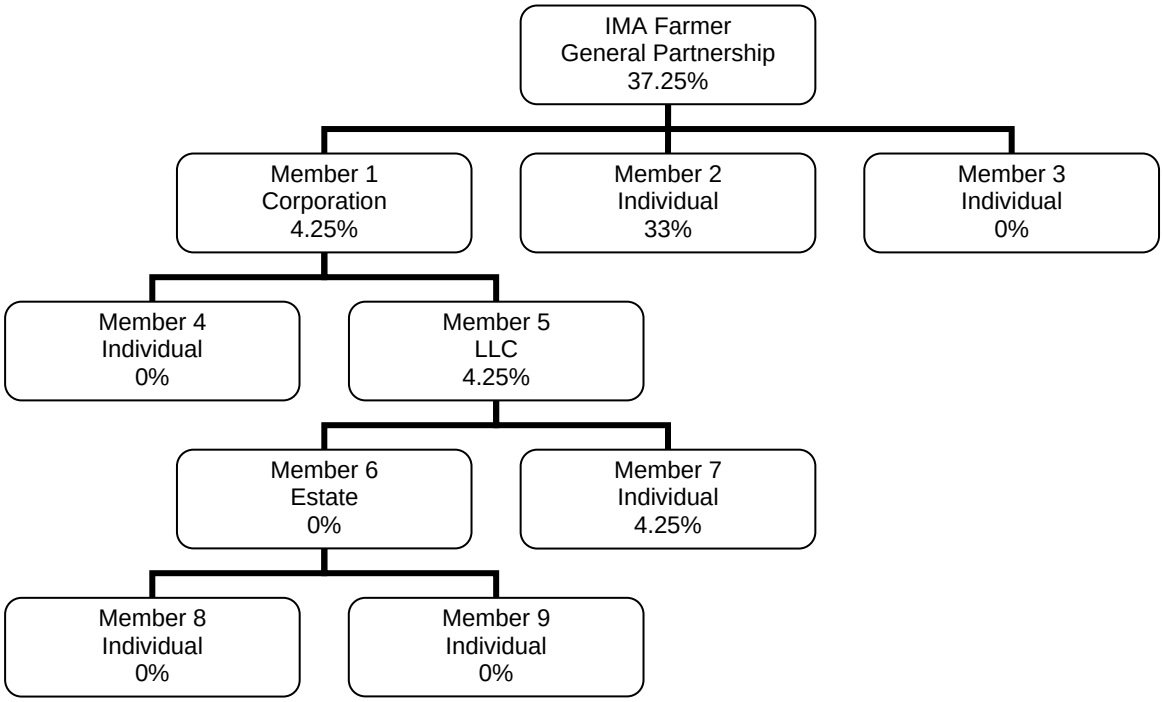
28 Attribution Share (Continued)

E Example 2

IMA Farmer General Partnership has applied for 2010 DCP payments.

- Permitted entity rules are not applicable to 2010 DCP payments.
- Member 3 does not meet AGI provisions.
- All members meet foreign person provisions.
- Member 4 does not meet member contribution provisions.
- All members meet substantive change provisions.
- Member 6 is a 3rd level member that is not an individual.

The attribution shares are determined as follows.



In this example, each ineligible member's attribution share is set to 0 percent. The shares are then accumulated from the lowest member level up to the payment entity.

IMA Farmer is only eligible to receive 37.25 percent of the calculated payment before payment limitation is applied to the members of the joint operation.

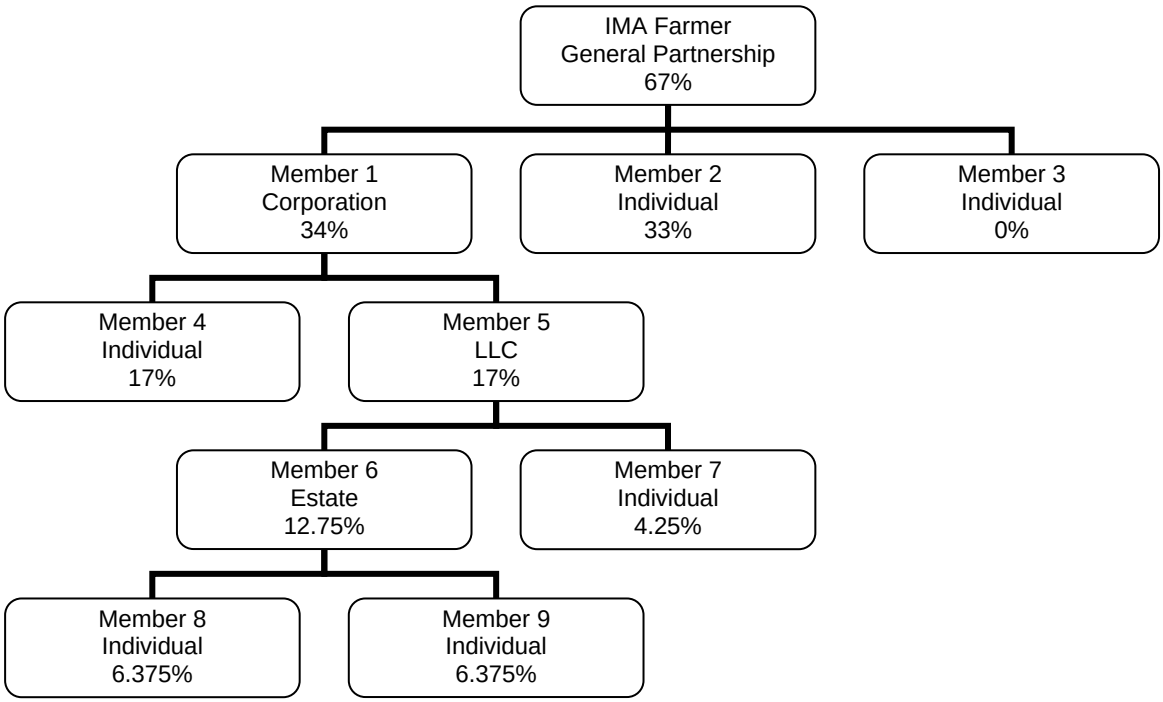
28 Attribution Share (Continued)

F Example 3

IMA Farmer General Partnership has applied for a 2008 SURE payment.

- Permitted entity rules are not applicable to 2008 SURE payments.
- Member 3 does not meet AGI provisions.
- Foreign person provisions are not applicable to 2008 SURE payments.
- Member contribution provisions are not applicable to 2008 SURE payments.
- All members meet substantive change provisions.
- Member 6 is a 3rd level member that is not an individual.
- Three member level rule does not apply to programs administered under "person" provisions, and therefore, is not applicable to 2008 SURE payments.

The attribution shares are determined as follows.



In this example, each ineligible member's attribution share is set to 0 percent. The shares are then accumulated from the lowest member level up to the payment entity.

IMA Farmer is eligible to receive 67 percent of the calculated payment before payment limitation is applied to the members of the joint operation.

29 Controlling Payment Limitation

A Introduction

Under direct attribution provisions, payment limitation must be controlled at all levels of the organizational structure for the payment entity and all members.

B Applicability to Joint Operations

Payment limitation is not applicable to joint operations. Payment limitation is controlled for the members of the joint operation.

C Applicability to Entities

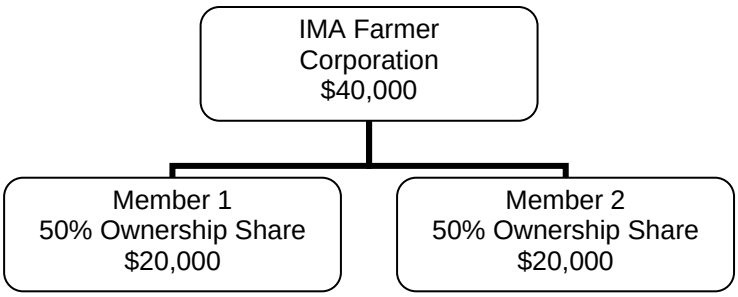
Payment limitation is applicable to:

- the payment entity
- each member of the entity down to the lowest applicable member level.

Once the payment eligibility process has been completed, the system will determine the payment amount that can be issued because of payment limitation. Payment limitation is controlled through a bottom-up approach whereby the payment limitation rules are applied from the member levels up to the payment entity level.

Exception: If the calculated payment exceeds the applicable program payment limitation, an initial reduction will be applied at the payment entity level before amounts are attributed to the members of the entity.

Example: IMA Farmer is a corporation earning a $60,000 DCP-Direct payment. There are 2 members, each with a 50 percent ownership interest. Assuming all eligibility requirements are met, the payment will be attributed to the members as follows.



An initial payment limitation reduction of $20,000 will be applied to IMA Farmer Corporation because the program payment limitation for DCP-Direct is $40,000.

See paragraph 15 for additional information on payment limitation.

30-34 (Reserved)

Part 4 Common Payment Process

35 Overview

A Background

As part of the modernization efforts of FSA to move applications to the web-based environment, and to implement the statutory mandate of direct attribution provisions, a common payment system has been developed for all FSA programs to use for issuing program benefits and payments to participating producers.

The concept of the common payment system is to apply a standardized process that runs in the same manner each time a payment is processed, but designed with enough flexibility to apply the specific program rules applicable to a program.

B Using the Common Payment System

The common payment process was deployed initially to accommodate issuing 2009 DCP-direct, 2009 ACRE-direct final payments, and 2009 CRP annual rental payments.

The following programs are currently using, or will be when deployed, the Common Payment System:

- ACRE
- BCAP
- CRP
- DCP
- ECP
- EFRP
- ELAP
- GRP
- LFP
- LIP
- SURE
- TAP.

As additional payment applications are moved to the web-based environment, it is anticipated they will be developed to use the common payment process.

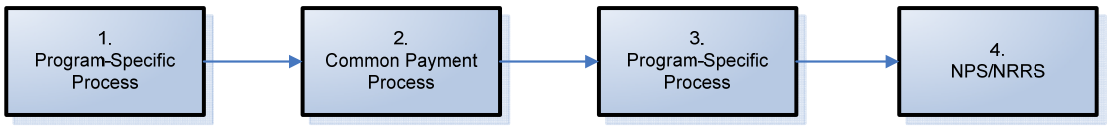
The remainder of this part describes the common payment process in greater detail.

36 Common Payment Process Concept

A High-Level Description of the Payment Process

In the past, each payment system was developed independently and built to apply the specific rules applicable to the program. Where possible, some of the same functionality was re-used, but each system was generally a stand-alone system.

Each program is still required to handle rules applicable to the program, but the common payment process now standardizes many of the processes required for processing a payment. The following is a high-level overview of the payment system.



The following is a general description of what actions are performed in each of the major processes.

Step	System	Action
1	Program-Specific Process	• Calculates the payment based on the rules for the specific program. • Determines when the payment is triggered for processing. • Determines which payment eligibility rules are applicable to the program. • Sends data into the common payment process.
2	Common Payment Process	• Attributes amounts to members of entities and joint operations. • Reduces the attribution amount if the payment entity or members, as applicable, does not meet the payment eligibility rules for the program. • Controls payment limitation. • Sends the eligible payment or overpayment amount back to the program-specific system for further processing.
3	Program-Specific Process	• Handles any final actions required by the program. **Example:** DCP processes payment amounts by farm, producer, and crop. However, only one amount is sent to NPS by farm and crop. The program-specific process accumulates the payment amount to the farm level, by producer, before transferring the payment data to NPS. • Sends payable to NPS/NRRS, as applicable.
4	NPS/NRRS	Facilitates the disbursement of the payable or administration of receivables.

36 Common Payment Process Concept (Continued)

B Flexibility of Applying Program Rules

Many of the programs administered by FSA have different program rules. These include, but are not limited to, the following:

- "person" rules versus direct attribution rules
- AGI has 4 different income thresholds with at least one specifically targeted to certain types of payments, such as direct AGI only applies to DCP and ACRE direct payments
- payment eligibility. Most programs require the producer to meet AD-1026 and conservation compliance provisions, but "actively engaged in farming", cash rent tenant, delinquent debt, etc. are only applicable to certain programs.

The common payment process has been designed to accommodate all of the program rules that may be applicable to the program. The program-specific process determines which rules apply and sends that data into the common payment process.

Example: CRP contracts approved before October 1, 2008, fall under "person" rules. An indicator is sent to the common payment process specifying "person" rules apply. Payment amounts are then attributed to members of entities and joint operations, however payment limitation is only controlled for the payment entity and members of joint operations following "person" rules.

Whereas, DCP-direct payments fall under direct attribution rules. Payment amounts are attributed to members of entities and joint operations, but payment limitation is controlled for the payment entity and all members, not just members of joint operations.

Regardless of the rules that apply to the program, the common payment process has the flexibility to handle the many different combinations of rules that apply to FSA programs.

37 Payment Triggers

A Initiating the Payment Process

Each program may have different rules for initiating the payment process. These requirements may be based on statutory mandates or regulatory provisions outlining the administration of the program.

The "trigger" is something that causes the payment process to initiate. Once initiated, each payment triggered runs through the payment process to determine whether a payment is due the producer or if the producer is overpaid. The following are a list of possible triggers that may initiate the payment process.

Trigger	Description
Approval of Contract or Application	For many programs, the producer is eligible to receive payment immediately upon approval of contract or application.
Date	Payments for many programs are not issued until a specific date is reached, such as: • October 1 for CRP annual rental payments and DCP/ACRE-direct final payments • 1st day of the month for a producer requesting a DCP/ACRE-direct advance payment.
Publication of Regulations	In some cases, producers may have applied for the program and the contract or application is approved, but the payments cannot be issued until the regulations governing the program are published.
Announcement of Payment Rate	Payments such as DCP counter-cyclical cannot be issued until a payment rate is determined.
Update to a Supporting System	Updates to any of the systems used to support a payment will automatically retrigger the payment to process. These include, but are not limited to, the following: • SCIMS • Eligibility System • Combined Producer System • Payment Limitation System • Joint Operation/Entity Files • Compliance System, including acreage reporting data and reductions due to the planting of fruit and vegetables • contract or application, including systems that could affect the contract/application such as Farm Records Management System • other systems applicable to the program.
User Initiated	Users can initiate a payment in the following ways: • some programs, such as CRP, may have an option to trigger the payment • selection from the nonpayment report for programs that use common payment reports. See paragraph 66.

37 Payment Triggers (Continued)

B Caution Required for Updating System Data

As described in subparagraph A, the common payment process is a fully integrated system that uses data from many systems. A change in one system could cause improper payments to be issued or receivables to be established for all payments that have been issued to the producer.

County Offices shall be extra cautious when updating the system to ensure that the action being taken properly reflects the certifications and determinations that are on file in the County Office.

C Forcing Payments to Process

Under no circumstance shall County Offices attempt to force a payment to process by manipulating data in the system. Examples include, but are not limited to, the following situations.

- Changing an eligibility certification or determination to a value of something other than what is applicable based on the documentation filed by the producer or the determination completed by COC.
- Entering or removing an approval date on a contract or application to trigger a payment.
- Deleting joint operation/entity file data to try to trigger a payment.

If changes are made properly in each of the supporting systems, the common payment process will function in the proper manner unless there is a problem that needs to be corrected in the software. If there are questions related to whether a payment or receivable has been issued properly:

- County Offices shall contact the State Office program specialist for the applicable program
- State Offices shall contact the National Office program specialist for the applicable program if additional guidance is needed after reviewing the situation.

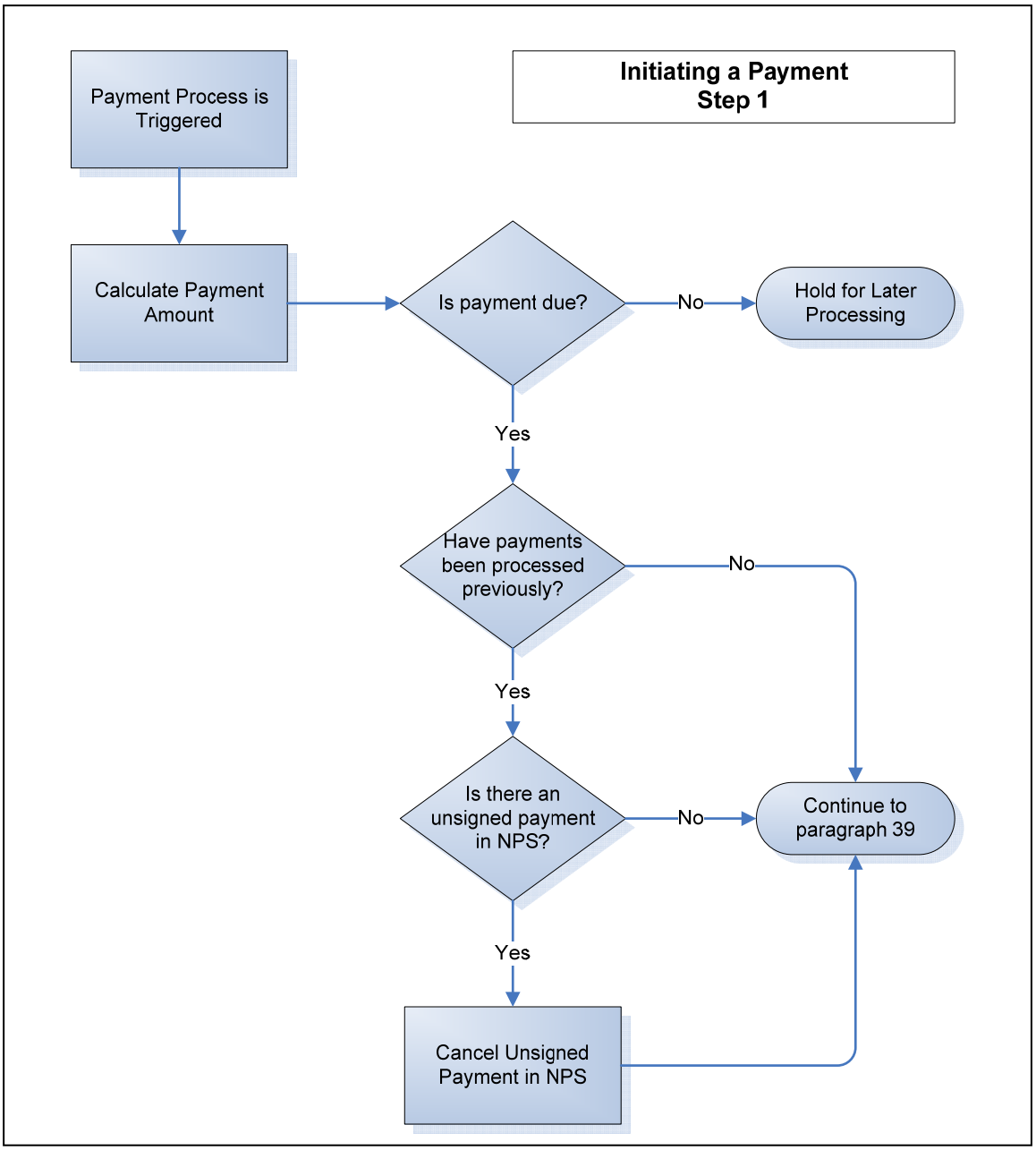
38 Initiating a Payment

A Introduction

Once a payment is triggered, the payment is sent through the common payment process in the same manner each time a payment runs. This paragraph describes the initial steps of the common payment process.

B Flow Chart

This flow chart describes the initial steps in the common payment process that occur regardless of whether the payment entity is an individual, joint operation, or entity.



38 Initiating a Payment (Continued)

C Description of Each Process

This table provides additional information about each of the steps in the flowchart in subparagraph B.

Flow Chart Step	Description
Payment Process is Triggered	The initial action that causes the payment process to be initiated. See paragraph 37 for additional information on payment triggers.
Calculate Payment Amount	Payment amount is calculated based on information recorded on the contract or application. This is an application/contract level payment amount before payment eligibility or payment limitation provisions are applied. **Note:** See the handbook for the applicable program for additional information on how the application/contract payment amount is computed.
Is Payment Due	In some cases, the payment is due upon approval of the application or contract. However, in other cases, the payment may be delayed due to applicable program rules, such as: • producer chooses the month in which to receive an advance DCP payment • final payments are not payable until a specified date, such as October 1 for DCP-Direct, ACRE-Direct, and CRP annual rental payments. **Note:** See the handbook for the applicable program for additional information on how the application/contract payment amount is computed and when the payment is due.
	IF the payment is… / **THEN…**
	due / the payment process continues to determine whether a payment was previously issued.
	not due / the payment is held in queue to be reprocessed at a later date. **Example:** Advance DCP-Direct payments are processed on or about the 1st of every month beginning in December of the program year. If the producer elects to receive an advance payment in March, the payment will be held in queue until March. When the first payments are processed for March, the payment will be sent to NPS assuming all other eligibility requirements have been met.
Have Payments Been Processed Previously	This step determines whether the payment was previously processed for the selected customer. If the payment was previously processed, then the reprocessing of the payment may result in an underpayment or overpayment situation.
	If a payment was… / **THEN the system…**
	previously processed / checks NPS to determine whether the payment previously processed is certified/signed.
	not previously processed / continues the payment process. See paragraph 39.
Is There an Unsigned Payment in NPS	When a payment is reprocessed, the system checks the status of the payment in NPS to determine whether it should be canceled.
	IF the payment in NPS is… / **THEN the…**
	• not certified or signed • certified but not signed / • payment in NPS is assumed to be erroneous and is canceled • system continues the payment process to determine the correct payment amount. See paragraph 39.
	certified and signed / • payment in NPS may have been erroneous but it is not canceled because it has been disbursed to the producer • system continues the payment process to determine whether the producer was under or overpaid. See paragraph 39.

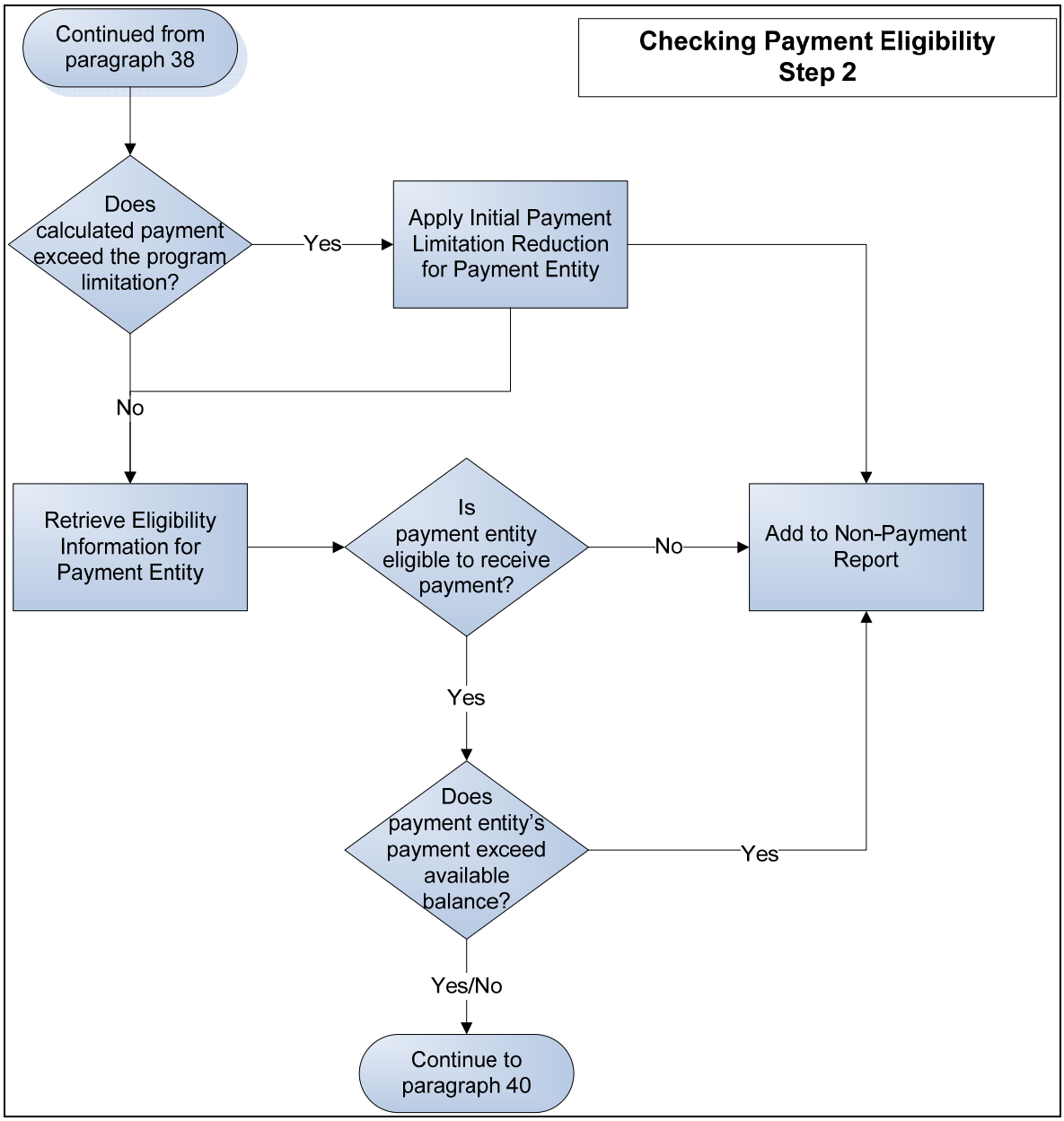
39 Checking Payment Eligibility

A Introduction

The 2nd stage in the common payment process is to determine payment eligibility. The process differs between individuals and joint operations/entities because of the requirement to check eligibility for members of entities/joint operations. This paragraph identifies each of these processes separately.

B Flow Chart for Individuals and Entities Without Members

This flow chart describes the steps for checking payment eligibility in the common payment process that occur for payment entities that are individuals or entities without members. See paragraph 13 for a description of entities without members.



39 Checking Payment Eligibility (Continued)

C Description of Each Process for Individuals and Entities Without Members

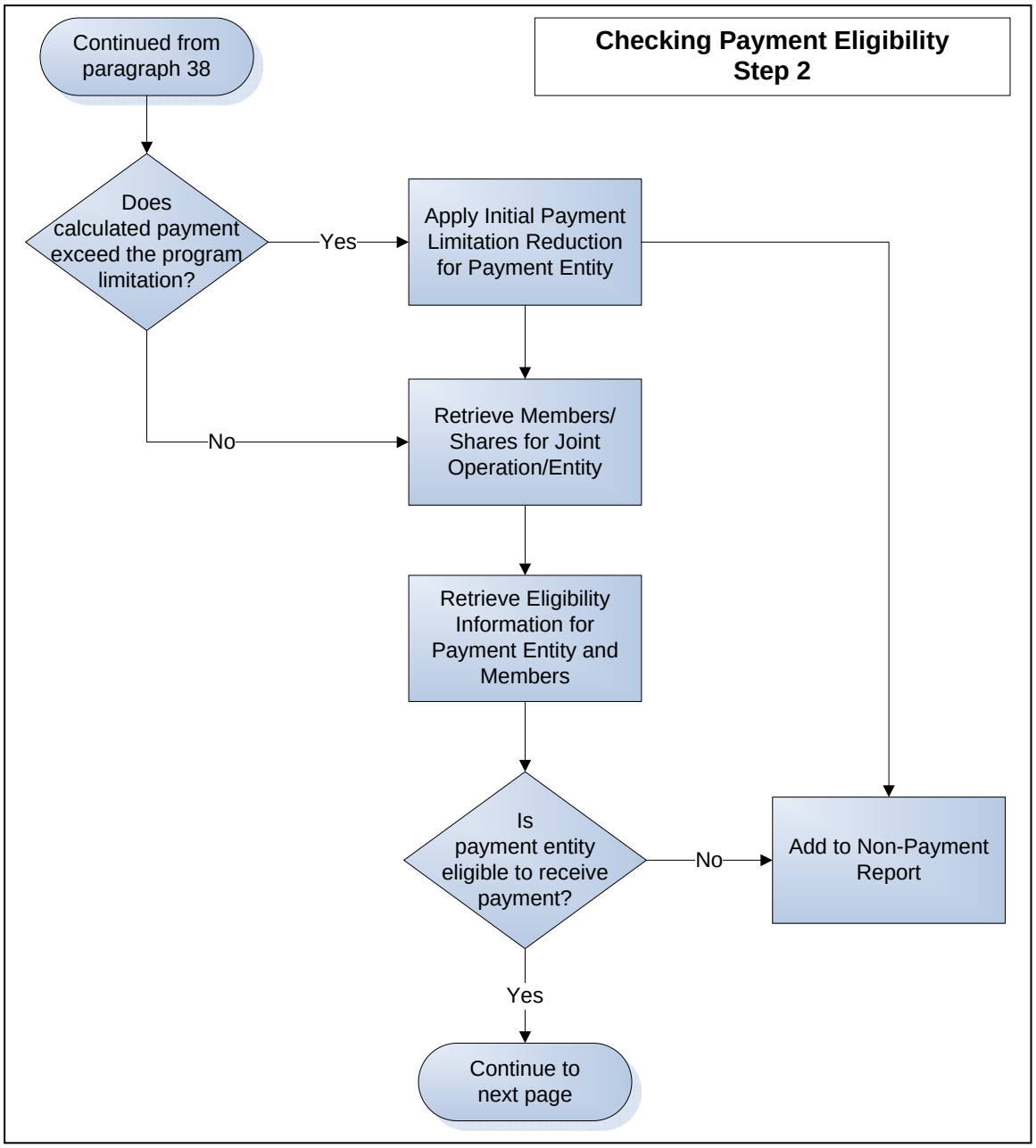
This table provides additional information about each of the steps in the flowchart in subparagraph B.

Flow Chart Step	Description	
Does the calculated payment exceed the program limitation?	If the calculated payment exceeds the program limitation, then the payment is initially reduced down to the program limitation. **Example:** DCP-Direct payment limitation is $40,000. If the calculated contract payment is $55,000, then an initial payment limitation reduction of $15,000 will be applied.	
	IF the calculated contract/application payment…	**THEN the system…**
	exceeds the applicable program limitation	• reduces the payment down to the program limitation • information is recorded on the nonpayment reduction report • continues the process to check payment eligibility for the remaining payment amount.
	does not exceed the program limitation	continues the process to check payment eligibility.
Retrieve Eligibility Information for the Payment Entity	Process determines which eligibility provisions apply to the applicable program and checks the eligibility determinations/certifications for the payment entity.	
	IF the payment entity…	**THEN the system…**
	fully meets the eligibility provisions applicable to the program	continues with the process of controlling payment limitation.
	partially meets the eligibility provisions applicable to the program	• continues with the process of controlling payment limitation • information is recorded on the nonpayment reduction report for the ineligible condition.
	does not meet the eligibility provisions applicable to the program	terminates the process and the information is recorded on the nonpayment reduction report for the ineligible condition.
Does the payment entity's payment exceed the available balance?	This process controls payment limitation by comparing the available payment limitation balance against the calculated payment for the payment being processed. See paragraph 15 for information on the available payment limitation balance.	
	If the payment being processed…	**THEN the payment entity is eligible to receive the amount equal to…**
	exceeds the available payment limitation balance	available payment limitation. • The amount that cannot be issued is listed on the nonpayment/reduction report. • System continues the payment process to send the information to NPS/NRRS. See paragraph 40.
	does not exceed the available payment limitation	calculated payment. System continues the payment process to send the information to NPS/NRRS. See paragraph 40.

39 Checking Payment Eligibility (Continued)

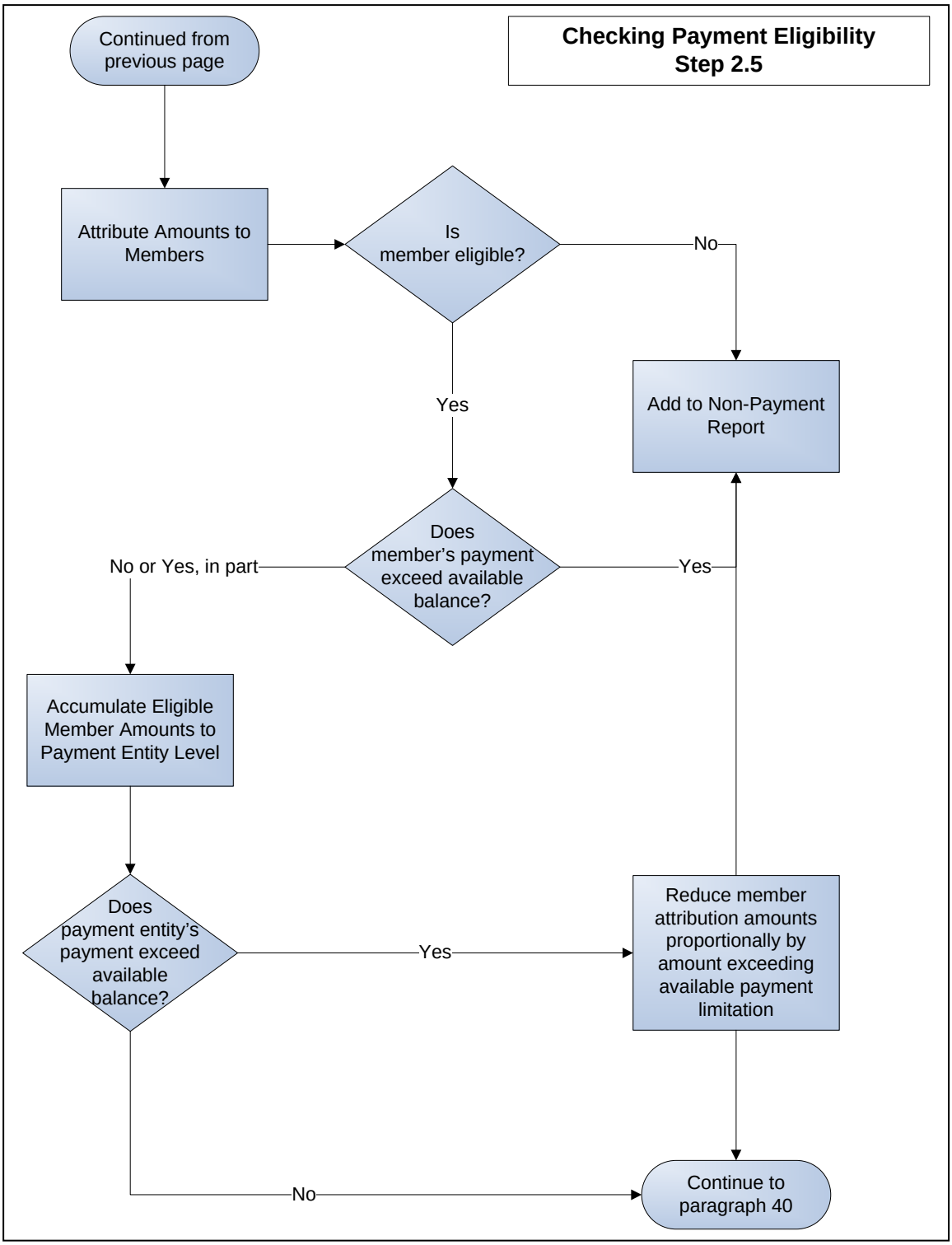
D Flow Chart for Joint Operations and Entities With Members

This flow chart describes the steps for checking payment eligibility in the common payment process that occur for payment entities that are joint operations and entities with members.



39 Checking Payment Eligibility (Continued)

D Flow Chart for Joint Operations and Entities With Members (Continued)



39 Checking Payment Eligibility (Continued)

E Description of Each Process for Joint Operations and Entities With Members

This table provides additional information about each of the steps in the flowchart in subparagraph D.

Flow Chart Step	Description		
Does the calculated payment exceed the program limitation?	If the calculated payment exceeds the program limitation, then the payment is initially reduced down to the program limitation unless the payment entity is a joint operation. **Example:** DCP-Direct payment limitation is $40,000. If the calculated contract payment is $55,000, then an initial payment limitation reduction of $15,000 will be applied.		
	IF the calculated contract or application payment…	**AND the payment entity is…**	**THEN the system…**
	exceeds the applicable program limitation	an entity	• reduces the payment down to the program limitation • information is recorded on the nonpayment reduction report • continues the process to check payment eligibility for the remaining payment amount.
		a joint operation	continues to the process to check payment eligibility.
	does not exceed the program limitation	either a joint operation or entity	continues to the process to check payment eligibility.
Retrieves Members and Shares for Joint Operation/Entity	System reads the joint operation/entity file to retrieve the members of the payment entity and the ownership shares. See paragraph 26 for additional information.		
Retrieve Eligibility Information for the Payment Entity and Members	Process determines which eligibility provisions apply to the applicable program and checks the eligibility determinations/certifications for the payment entity.		
	IF the payment entity…	**THEN the system…**	
	fully meets the eligibility provisions applicable to the program	continues with the process to check payment eligibility for the members of the joint operation/entity.	
	partially meets the eligibility provisions applicable to the program	• continues with the process to check payment eligibility for the members of the joint operation/entity • information is recorded on the nonpayment reduction report for the payment entity for the ineligible condition.	
	does not meet the eligibility provisions applicable to the program	terminates the process and the information is recorded on the nonpayment reduction report for the ineligible condition.	
Attribute Amounts to Members	Amounts are attributed to members of the joint operation/entity based on the attribution share. See paragraph 28 for additional information related to the attribution share.		

39 Checking Payment Eligibility (Continued)

E Description of Each Process for Joint Operations and Entities With Members (Continued)

Flow Chart Step	Description	
Is the member eligible?	Process determines which eligibility provisions apply to the applicable program and checks the eligibility determinations/certifications for each member of the joint operation/entity.	
	IF the member…	**THEN the system…**
	fully meets the eligibility provisions applicable to the program	continues with the process of controlling payment limitation for the member.
	partially meets the eligibility provisions applicable to the program	• continues with the process of controlling payment limitation for the member • information is recorded on the nonpayment reduction report for the member for the ineligible condition.
	does not meet the eligibility provisions applicable to the program	information is recorded on the nonpayment reduction report for the member for the ineligible condition.
Does the member's payment exceed the available balance?	This process controls payment limitation for each eligible member by comparing the available payment limitation balance against the amount of the payment attributed to the member. See paragraph 15 for information on the available payment limitation balance.	
	If the payment attributed…	**THEN the member's attributed amount is…**
	exceeds the available payment limitation balance	equal to the available payment limitation. The amount that cannot be issued is listed on the nonpayment/reduction report.
	does not exceed the available payment limitation	equal to the attributed payment.
Accumulate Eligible Member Amounts to Payment Entity Level	Eligible member amounts are accumulated to the payment entity level. **Note**: If there are embedded entities in the operation, the amounts are first accumulated to the embedded entity, then the payment entity. Payment limitation is controlled at each level of the operation, as required by the applicable program.	
Does the payment entity's payment exceed the available balance?	This process controls payment limitation by comparing the available payment limitation balance against the accumulated payment for the payment entity. See paragraph 15 for information on the available payment limitation balance.	
	If the accumulated payment…	**THEN the payment entity is eligible to receive the amount equal to…**
	exceeds the available payment limitation balance for the payment entity	available payment limitation. • The amount that cannot be issued is listed on the nonpayment/reduction report. • The attribution amounts for the eligible members are further reduced by a prorated percentage based on their percentage of the accumulated payment. • System continues the payment process to send the information to NPS/NRRS. See paragraph 40.
	does not exceed the available payment limitation	calculated payment. System continues the payment process to send the information to NPS/NRRS. See paragraph 40.

40 Transferring Information to NPS or NRRS

A Introduction

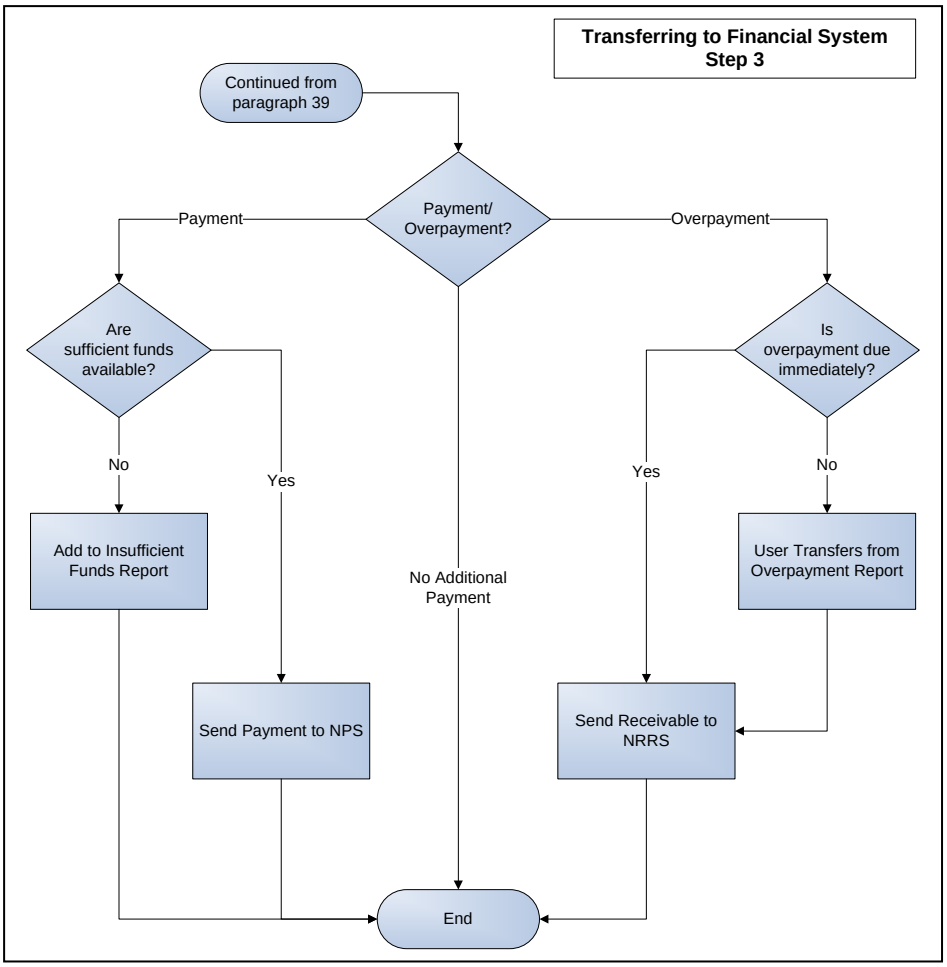
After the amount that can be paid to the payment entity has been determined, the result could be any of the following:

- payment due the payment entity
- overpayment based on a condition updated after a payment was issued
- no additional payment or overpayment if the condition that retriggered the payment to process did not affect the calculated payment.

The last stage in the payment process is to transfer information to the applicable financial system. This paragraph describes the steps for transferring information to NPS or NRRS.

B Flow Chart

This flow chart describes the initial steps in the common payment process that occur regardless of whether the payment entity is an individual, joint operation, or entity.



40 Transferring Information to NPS or NRRS (Continued)

C Description of Process for Transferring Information to NPS

This table provides additional information about each of the steps in the flowchart in subparagraph B when a payment is due the producer.

Flow Chart Step	Description	
Payment/ Overpayment?	Once the attribution process has completed and payment limitation has been controlled, the system determines whether the current payment transaction has resulted in a payment due, an overpayment, or no additional payment/overpayment.	
	If the amount determined is…	**THEN…**
	greater than $0	• amounts are accumulated to the farm, contract, or application level so 1 payment is payable to the payment entity if amounts are calculated by crop, such as DCP • the producer is due a payment and the amount is sent to NPS
	negative	see subparagraph D.
	$0	see subparagraph E.
Are sufficient funds available?	If the program is controlled through the e-funds process, the system checks to determine whether sufficient funds are available for the county to issue the payment.	
	IF sufficient funds are…	**THEN the payment…**
	available	is sent to NPS for certification and signature.
	not available	information is added to the insufficient funds report. See paragraph 67 for additional information.

D Description of Process for Transferring Information to NRRS

This table provides additional information about each of the steps in the flowchart in subparagraph B when an overpayment is computed for the producer.

Flow Chart Step	Description	
Payment/ Overpayment?	Once the attribution process has completed and payment limitation has been controlled, the system determines whether the current payment transaction has resulted in a payment due, an overpayment, or no additional payment/overpayment.	
	If the amount determined is…	**THEN…**
	greater than $0	see subparagraph C.
	negative	the payment entity is overpaid.
	$0	see subparagraph E.
Is overpayment due immediately?	Some programs require the overpayment to be transferred to NRRS immediately but others, such as advance DCP-direct overpayments, are not due until a specified time.	
	If the overpayment is due…	**THEN…**
	immediately	the system will send the overpayment information to NRRS to start the debt notification and collection process.
	at a later date, such as October 1 for final DCP-direct overpayments	overpayment amount will be listed on the Pending Overpayment Report for verification by the County Office. If the overpayment is listed erroneously, County Offices shall take corrective action to resolve the situation that caused the overpayment. See paragraph 65 for additional information.

40 Transferring Information to NPS or NRRS (Continued)

E Description of Process if Payment Data Has Not Changed

This table provides additional information about each of the steps in the flowchart in subparagraph B when:

- no payment was earned by the payment entity
- action that caused the payment to be reprocessed did not result in an additional payment or overpayment.

Flow Chart Step	Description	
Payment/ Overpayment?	Once the attribution process has completed and payment limitation has been controlled, the system determines whether the current payment transaction has resulted in a payment due, an overpayment, or no additional payment/overpayment.	
	If the amount determined is…	**THEN…**
	greater than $0	see subparagraph C.
	negative	see subparagraph D.
	$0	the process terminates without sending information to NPS or NRRS.

41-50 (Reserved)

Part 5 Common Reports System

Section 1 Basic System Information

51 Overview

A Concept of Common Report System

The Common Reports System provides a central location for reports for program payments processed through the common payment system.

Historically, FSA payment systems have functioned somewhat independently because different rules apply to different programs. As a result, there was not always consistency in how reports were developed to assist users. The concept of the Common Reports System is to provide users with a standardized set of reports that can be used to assist with payment reconciliation issues. The benefits of the Common Reports System include:

- reports generated through this process have the same format regardless of the program for which the report is generated
- once the user uses the reports for one program, they gain a knowledge of how to reconcile payment issues for other programs
- when a new program is implemented, software development effort is not needed to generate reports.

B Programs Using the Common Reports System

Initially the following programs will be deployed with the capability to use the Common Report System.

Program	Scheduled to Use Common Payment System
ACRE	October 2010
DCP	
ELAP	When Payment System Is Deployed
LFP	
LIP	June 2010
SURE	
TAP	

Note: It is anticipated that other web-based payment systems will use the Common Report System, however specific information on those programs is not available. This table will be updated as new programs are added to the process.

51 Overview (Continued)

C Common Payment Reports

The reports developed through the Common Payment Reporting System are broken down into 2 categories depending on whether data for the report is available in “real time” or delayed.

The following reports include “real time” data:

- Estimated Calculated Payment Report, if applicable to the program
- Submitted Payments Report
- Submitted Overpayments Report
- Pending Overpayments Report
- Insufficient Funds Report
- Payment Computed to Zero Report.

The following reports include data from a reporting database that is updated within 24 hours:

- Nonpayment/Reduction Report
- Payment History Report – Summary Level
- Payment History Report – Detail Level.

Note: The reporting database is scheduled to update daily at 4 a.m. c.t. However, the last update date is listed on the Common Reports Menu for user information.

The reports will be released in phases as development is completed. Each report is described in further detail in the remainder of this section.

52 Access to Common Payment Reports System

A Accessing the Common Payment Reports System

To access the Common Payment Reports system, go to FSA's Applications Intranet web site at **http://intranet.fsa.usda.gov/fsa/FSAIntranet_applications.html**. Under "Common Applications", CLICK "**Common Payment Reports System**".

Notes: Internet Explorer shall be used when accessing the Common Payment Reports System. Users will be prompted to login through the USDA eAuthentication Login Screen. On the USDA eAuthentication Login Screen, users **must**:

- enter eAuthentication user ID
- enter eAuthentication password
- CLICK "**Login**".

The home page for the Common Payment Reports will be displayed.

B Authorized Access

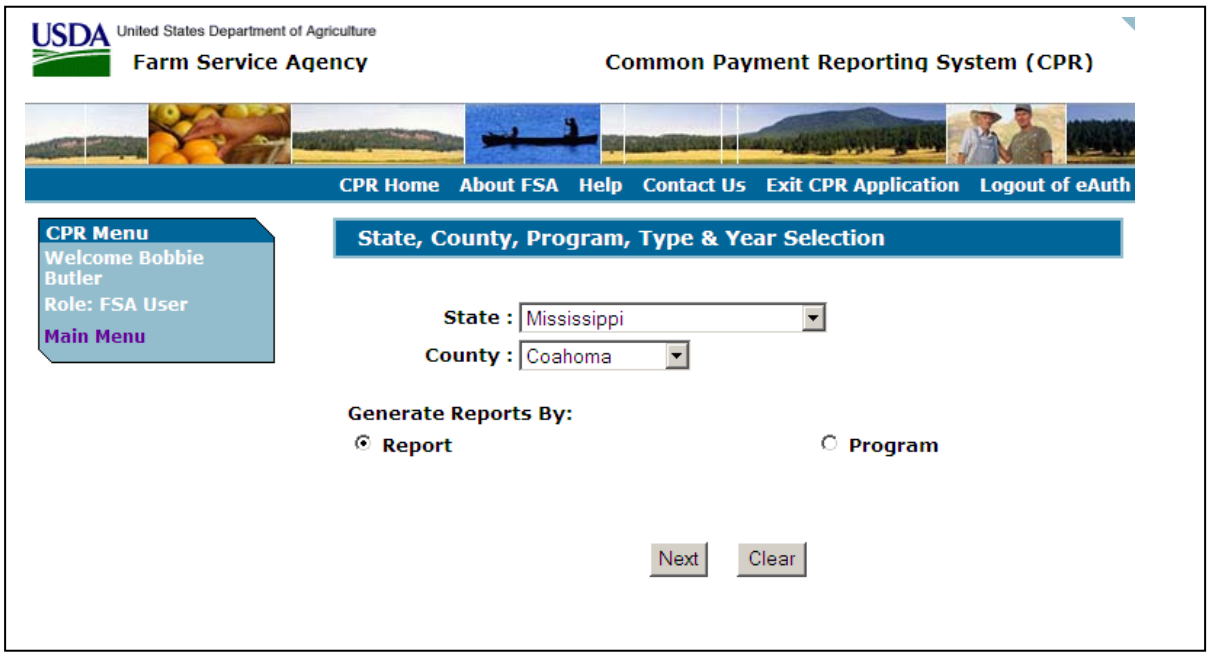
The Common Payment Reports System is for internal FSA use only and will not be made available to the public or other Agency users. This table describes the level of access that has been provided to FSA users.

Type of User	Authorized Capabilities
County Office	• Read access to all reports for any producer nationwide. • Ability to process payments from the Nonpayment/Reduction Report, if the user is associated with the county where the payment is administered. • Ability to transfer overpayments to NRRS, if the user is associated with the county where overpayment occurred.
State Office	Read access to all reports for any producer nationwide.
National Office	

53 Common Payment Reports Home Page

A Example of Common Payment Reports Home Page

Following is an example of the Common Payment Reports Home Page.



B Selecting State and County

After successfully entering user ID and password, the Common Payments Reports System Home Page is displayed. The State and county will be defaulted based on information applicable to the user's eAuthentication login ID.

This table describes how the "State" and "county" fields are defaulted.

Field	User	Default
State	County Office	Name of the State associated with the user.
	State Office	
County	County Office	Name of the county the user is associated with. If the user is associated with more than one county, the system will default to the county with the lowest county code.
	State Office	Name of the first county in the State associated with the user.

53 Common Payment Reports Home Page (Continued)

C Initiating the Report Selection Process

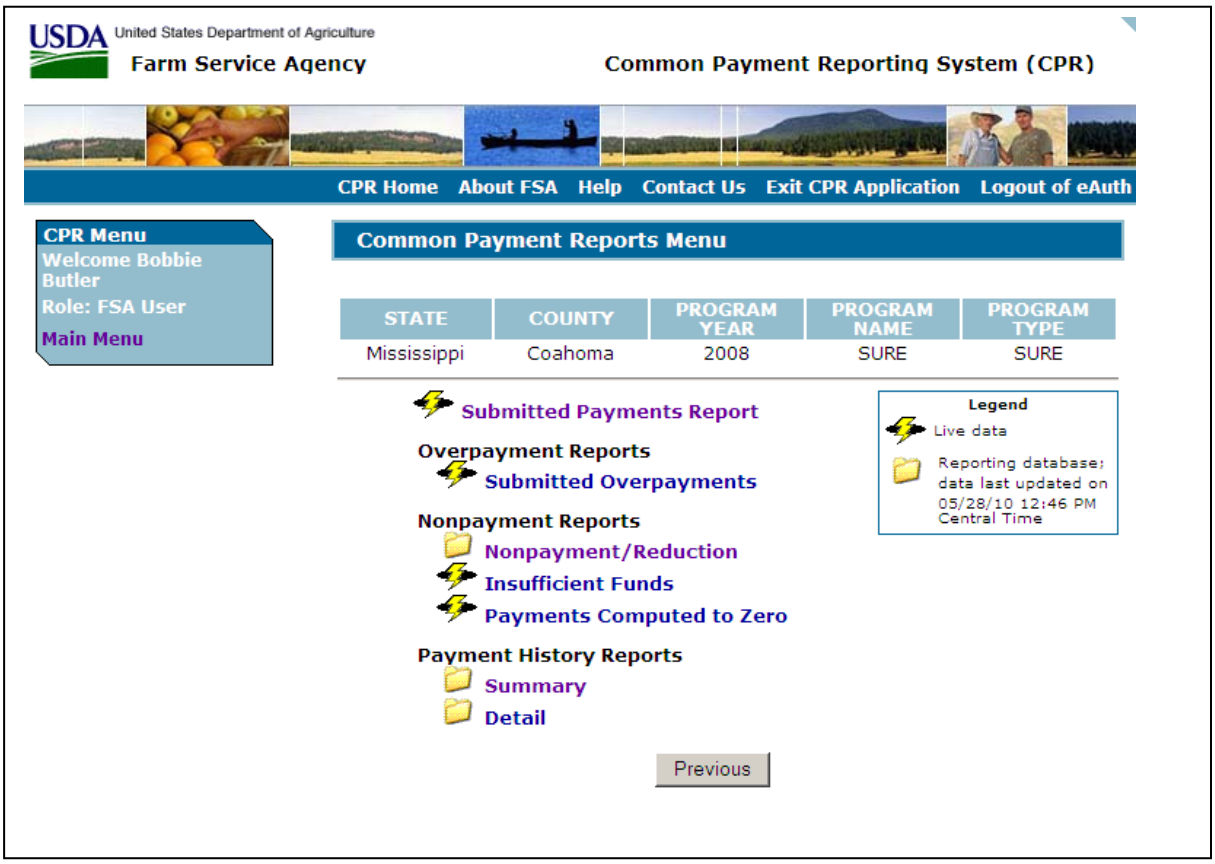
Follow instructions in this table to initiate the report selection process from the Common Payment Reports Home Page.

Step	Action		Result
1	If the defaulted State and county is not the county for the report to be generated, then select the State and county from the drop-down list.		
2	There are 2 options to navigate to the reports selection screen based on the preference of the user.		
	IF the user wishes to access…	**THEN select…**	
	the same report for multiple programs	"Report" and CLICK "Next".	Options will be displayed to select the applicable program. Go to step 3.
	all reports for an applicable program	"Program" and CLICK "Next".	The Common Payment Reports Menu will be displayed.
3	Using the drop-down menus provided, select the following and CLICK "Next": • Program • Program Year • Program Type.		The Common Payment Reports Menu will be displayed.

54 Common Payment Reports Menu

A Example of Common Payment Reports Menu

Following is an example of the Common Payment Reports Menu.



B Page Information/Options

The following options are available on the Common Payment Reports Menu.

Option	Action
State	Displays the State and county selected on the Common Payment Reports Home Page.
County	
Program Year	Displays the selected program year, program name, and program type, if the “program” option was selected on the Common Payment Reports Home Page.
Program Name	
Program Type	
Report	Allows the user to select the report to be generated. Click on the report name and the search criteria page will be displayed. See paragraph 55.
Previous	Returns to the Common Payment Reports System Home Page.

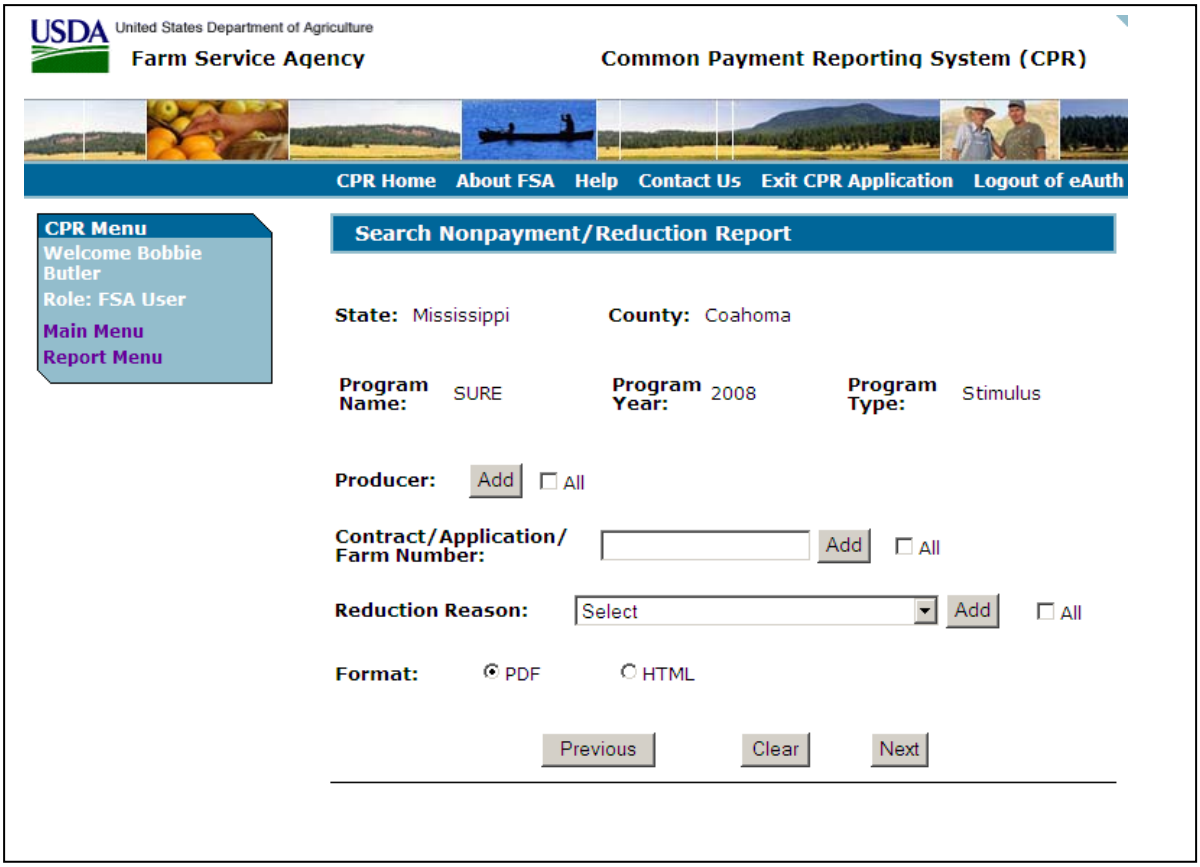
55 Search Criteria Selection Page

A Example of Common Payment Reports Menu

The Search Criteria Page provides standardized options for generating report information; however, some search options are only available for certain reports.

Example: The option to generate a report based on the reason the payment was not issued is only applicable to the Nonpayment/Reduction Report.

The following is an example of the Search Criteria Page for the Nonpayment/Reduction Report. See subparagraph B for a list of all options that are available on this page for all reports.



55 Search Criteria Selection Page (Continued)

B Page Information/Options

All reports are limited to the specific State, county, and program initially. The Search Criteria Page narrows down the information that will be displayed on a selected report.

Notes: Users are allowed to select multiple search criteria options, where applicable.

State level reports are not available through this process.

The following options are available on the Search Criteria Page.

<table>
<tr><th>Type of Search</th><th>Description</th></tr>
<tr><td>Date Range</td><td>Allows the user to specify a beginning and ending date for the selected report. If the user selects this option, then:

• a beginning date must be entered
• an ending date is not required.

Note: If no ending date is entered, then the ending date is the current date.

If this option is selected, then only the records that fall within the specified date range are displayed/printed on the applicable report.

Note: This search criteria option is not applicable for:

• Estimated Calculated Payment Report
• Pending Overpayment Report
• Payment Computed to Zero Report
• Nonpayment/Reduction Report
• Insufficient Funds Report.</td></tr>
<tr><td>Producer</td><td>Allows the user to generate a report for:

• one or more producers by selecting the “Add” option
• all producers by selecting an “All” option.
<table>
<tr><th>IF the user chooses to…</th><th>Step</th><th>Action</th><th>Result</th></tr>
<tr><td rowspan="5">select one or more producers</td><td>1</td><td>CLICK “Add”</td><td>The SCIMS search page will be displayed.</td></tr>
<tr><td>2</td><td>Select the producer to search</td><td>The Search Criteria Page will be redisplayed with the selected producer.</td></tr>
<tr><td>3</td><td>Repeat steps 1 and 2 until all producers have been selected.</td><td></td></tr>
<tr><td>4</td><td>Select “PDF” or “HTML”.</td><td>The “PDF” option provides a report formatted for printing. The “HTML” version displays the information in a new window.</td></tr>
<tr><td>5</td><td>CLICK “Next”.</td><td>The results for the applicable report will be displayed in a new window.</td></tr>
</table></td></tr>
</table>

55 Search Criteria Selection Page (Continued)

B Page Information/Options (Continued)

Type of Search	Description
Producer (Continued)	select "all" producers **Warning:** Reports are currently designed to display only the first 1,000 results for the search criteria. **Step** / **Action** / **Result** 1 / CHECK "All". / 2 / Select "PDF" or "HTML". / The "PDF" option provides a report formatted for printing. The "HTML" version displays the information in a new window. 3 / CLICK "Next". / The results for the applicable report will be displayed in a new window.
Contract/ Application/ Farm	If the program allows for a contract number, application number, or farm number that is associated with a payment, then this option allows the user to generate a report for: • one or more contracts/applications/farms by selecting the "Add" option • all contracts/applications/farms by selecting an "All" option.

IF the user chooses to…	Step	Action/Result
select one or more contracts/ applications/ farms	1	CLICK "Add".
	2	Enter the contract, application, or farm number
	3	Repeat steps 1 and 2 until all contracts, applications, or farm numbers have been selected.
	4	Select "PDF" or "HTML". The "PDF" option provides a report formatted for printing. The "HTML" version displays the information in a new window.
	5	CLICK "Next". The results for the applicable report will be displayed in a new window.
select "all" contracts/ applications/ farms	**Warning:** Reports are currently designed to display only the first 1,000 results for the search criteria.	
	Step	**Action/Result**
	1	CHECK "All".
	2	Select "PDF" or "HTML". The "PDF" option provides a report formatted for printing. The "HTML" version displays the information in a new window.
	3	CLICK "Next". The results for the applicable report will be displayed in a new window.

Nonpayment/ Reduction Reason	Allows the user to display/print all producers that have a specific reason that a payment was reduced for the selected program. **Example:** User wants to print a report of all producers for SURE that do not meet AD-1026 provisions. If this option is selected, then only the records that fall within the specified data range are displayed/printed on the applicable report. **Note:** This search option is only applicable to the Nonpayment/Reduction Report.

56-60 (Reserved)

Section 2 Common Payment Reports

61 General Report Information

A Overview

This section provides detailed information about the reports provided through the Common Payment Report process.

Development of the reports is ongoing and all reports described in this section will not be available when the software is initially released. The following is the projected order for release of the reports.

Phase	Reports Available
Initial	• Nonpayment/Reduction Report • Payment History Report – Summary Level • Estimated Calculated Payment Report
Subsequent	• Submitted Payment Report • Submitted Overpayment Report • Pending Overpayment Report • Insufficient Funds Report • Payment Computed to Zero Report

B Report Header Information

Each report includes header information that is consistent for all reports. This tables describes the report header information.

Field	Description
State	Full name for the State selected by the user.
County	Full name for the county selected by the user.
Program Year	Program year selected by the user.
Program Name	Full program name and program type selected by the user.
Report Name	The name of the report.
Date	Date the report is generated by the user.
Page Number	Page number for the report.
Date Range	If the user selected the search criteria by date range, the selected date range is displayed/printed.

C Multiple IE Windows

Reports are opened in a new Internet Explorer window regardless of the “pdf” or “html” option is selected. Users shall close the window for an existing report before generating a new report.

62 Estimated Calculated Payment Report

A Description of Report

Estimated calculated payment reports are program-specific and some programs do not have this report. Users can access the Estimated Calculated Payment Report through the Common Payment Reports System, but information about each report is not included in this handbook.

Refer to the applicable program handbook for a description of the information on the Estimated Calculated Payment Report.

63 Submitted Payments Report

A Description of Report

The Submitted Payments Report provides a report of the transactions that have been sent to NPS based on the selected search criteria.

Example: User would like a report of all transactions sent to NPS on June 1, 2010. Users would specify June 1, 2010, as the beginning and ending dates then generate the report.

All payments sent to NPS for the selected State, county, and program will be listed on the report.

B Availability of Data

The information displayed on the report includes "real time" data.

C Information Provided on the Report

Since this report includes information submitted to NPS, this report only includes the payment entity name. Data attributed to members of joint operations and entities is not listed on the report.

The following information is provided on the submitted payment report.

<table>
<tr><th>Field</th><th colspan="2">Description</th></tr>
<tr><td>Date</td><td colspan="2">Date the payment transaction was processed and sent to NPS.</td></tr>
<tr><td rowspan="4">Producer Name</td><td colspan="2">Payment entity's name from SCIMS according to the following.</td></tr>
<tr><td>For</td><td>Name Displayed/Printed</td></tr>
<tr><td>Individuals</td><td>Last name, first name, middle name, and suffix</td></tr>
<tr><td>Businesses</td><td>Business name</td></tr>
<tr><td>Payment ID Number</td><td colspan="2">Unique number that ties the program history data to the NPS history data.</td></tr>
<tr><td>Business Type</td><td colspan="2">Numeric business type for the selected customer.</td></tr>
<tr><td>Contract/ Application/Farm</td><td colspan="2">Contract, application, or farm number that is associated with the payment transaction.

Note: If the selected program does not have a contract, application, or farm number, this field will be blank.</td></tr>
<tr><td>Payment Reduced</td><td colspan="2">Indicates whether any portion of the payment was reduced. The reduction could apply for the payment entity or a member if the payment entity is a joint operation or entity.

Note: Refer to the Nonpayment/Reduction Report to determine the reason the payment was reduced.</td></tr>
<tr><td>Amount Submitted</td><td colspan="2">Amount submitted to NPS for the payment entity.</td></tr>
</table>

63 Submitted Payments Report (Continued)

D Sort Order

The information on the report is sorted as follows:

- transaction date
- producer name.

E Example of Report

The following is an example of a Submitted Payments Report.

Coahoma
Mississippi

United States Department of Agriculture
Farm Service Agency

Date: 06/29/2010
Page: 1

2008 Supplemental Agricultural Disaster Assistance - Stimulus
Submitted Payment Report

Date	Producer Name	Payment ID Number	Business Type	Contract/ Application/ Farm	Payment Reduced	Amount Submitted
11/13/2009	Farmer, Ima	7532830	00		No	$ 26
11/13/2009	General Partnership 1	7532832	02		Yes	$ 924
11/13/2009	Producer, Ima	7532834	00		No	$ 765

64 Submitted Overpayments Report

A Description of Report

The Submitted Overpayments Report provides a report of the transactions that have been sent to NRRS based on the selected search criteria.

Example: User would like a report of all transactions sent to NRRS on June 1. Users specify June 1 as the beginning and ending dates then generate the report.

All overpayments sent to NRRS for the selected State, county, and program will be listed on the report.

B Availability of Data

The information displayed on the report includes “real time” data.

C Information Provided on the Report

Since this report includes information submitted to NRRS, this report only includes the payment entity name. Overpayments for members of joint operations and entities are not listed on the report.

The following information is provided on the Submitted Overpayment Report.

Field	Description	
Date	Date the overpayment transaction was processed and sent to NRRS.	
Producer Name	Payment entity’s name from SCIMS according to the following.	
	For	**Name Displayed/Printed**
	Individuals	Last name, first name, middle name, and suffix
	Businesses	Business name
Payment ID Number	Unique number that ties the program history data to the NRRS history data.	
Business Type	Numeric business type for the selected customer.	
Contract/ Application/Farm	Contract, application, or farm number that is associated with the overpayment transaction. **Note:** If the selected program does not have a contract, application, or farm number, this field will be blank.	
Debt Basis	3-digit debt basis code sent to NRRS to represent the reason for the debt. See 67-FI for additional information.	
Payment Reduced	Indicates whether any portion of the payment was reduced. The reduction could apply for the payment entity or a member if the payment entity is a joint operation or entity. **Note:** See the Nonpayment/Reduction Report to determine the reason the payment was reduced.	
Amount Submitted	Amount submitted to NRRS for the payment entity.	

64 Submitted Overpayments Report (Continued)

D Sort Order

The information on the report is sorted as follows:

- transaction date
- producer name.

65 Pending Overpayments Report

A Description of Report

The Pending Overpayment Report provides a report of the transactions that have been *--computed as overpayments, but have not been transferred to NRRS.

Overpayments listed on the Pending Overpayment Report will either be:

- removed from the report if corrective action is taken

- transferred to NRRS after 10 workdays or at the end of the advance payment cycle for applicable programs.--*

B Availability of Data

The information displayed on the report includes “real time” data.

65 Pending Overpayments Report (Continued)

*--C Actions for Overpayments Listed on the Pending Overpayment Report

Overpayments determined during the program payment calculation process are updated to the Pending Overpayment Report. Some overpayments are legitimate debts and should be immediately transferred to NRRS while other overpayments are based on erroneous information in the system.

The following provides the actions that can be taken for overpayments listed on the Pending Overpayment Report.

<table>
<tr><th>Description</th><th>Action</th><th colspan="2">Result</th></tr>
<tr><td rowspan="4">The overpayment listed on the Pending Overpayment Report is erroneous.</td><td rowspan="4">Correct the condition causing the overpayment to be listed.

Note: Ensure corrective action is completed immediately to ensure all necessary updates or uploads are completed by the transfer date.</td><td colspan="2">The corrective action will trigger the payment process which will determine if the condition causing the overpayment has been resolved.</td></tr>
<tr><td>IF the overpayment…</td><td>THEN…</td></tr>
<tr><td>has been resolved</td><td>the producer will be removed from report.</td></tr>
<tr><td>• has not been resolved

• has been resolved, but an overpayment for a different reason has been determined</td><td>overpayment information will continue to be listed on the report with the applicable reason.</td></tr>
<tr><td>The overpayment is determined to be a legitimate debt.</td><td>Overpayment shall be selected and transferred to NRRS immediately.

See subparagraph G for additional information.</td><td colspan="2" rowspan="2">• The overpayment information will be removed from the Pending Overpayment Report once it is transferred to NRRS.

• The overpayment information will be listed on the Submitted Overpayment Report.

• A receivable is established in NRRS.</td></tr>
<tr><td>The overpayment is still listed on the Pending Overpayment Report on the “Transfer Date”.</td><td>Overpayment is automatically transferred to NRRS after COB on the transfer date.</td></tr>
</table>

D Information Provided on the Report

Since this report includes information that may be submitted to NRRS, this report **only** includes the payment entity name. Overpayments for members of joint operations and entities are **not** listed on the report.**--***

65 Pending Overpayments Report (Continued)

D Information Provided on the Report (Continued)

The following information is provided on the Pending Overpayment Report.
*--

Field	Description	
Transfer Date	Date the overpayment will automatically be transferred to NRRS unless corrective action is taken by the County Office.	
Producer Name	Payment entity's name from SCIMS according to the following.	
	For	**Name Displayed/Printed**
	Individuals	Last name, first name, middle name, and suffix.
	Businesses	Business name.
Contract/ Application/Farm	Contract, application, or farm number that is associated with the overpayment transaction. **Note:** If the selected program does not have a contract, application, or farm number, this field will be blank.	
Commodity	A commodity can be an agricultural crop, type of livestock, or other description as determined by a program. If payments are not calculated at a commodity level for the selected program, this field will be blank. **Note:** Some commodities may be abbreviated because of space limitations or some reports. See Exhibit 10 for additional information on commodity codes used for some programs.	
Debt Basis	3-digit debt basis code sent to NRRS to represent the reason for the debt. See 64-FI for additional information.	
Overpayment Amount	Computed overpayment amount for the payment entity.	

See subparagraph 66 E for reasons that may be printed on the Pending Overpayment Report.

Notes: The Pending Overpayment Report only includes 1 reason that an overpayment was computed and the reason is summarized to the payment entity level. As such, the message listed may apply to a member of a joint operation or entity instead of the payment entity itself.

For joint operations and entities, County Offices shall review the message listed on the report, then verify that the system is updated properly for the payment entity and all members of the payment entity that are printed for each applicable reduction.

A future software release will associate the reason for the overpayment with the payment entity or member, as applicable. However, a projected software release date is not available.--*

E Sort Order

The information on the report is sorted as follows:

- transaction date
- producer name.

65 Pending Overpayments Report (Continued)

*--F Example of Report

The following is an example of the printable version of the Pending Overpayment Report.

Osage
Oklahoma

United States Department of Agriculture
Farm Service Agency

Date: 09/28/2010
Page: 1

2008 Supplemental Agricultural Disaster Assistance - SURE
Pending Overpayment Report

Date	Producer Name	Payment ID Number	Contract/ Application/ Farm	Commodity	Debt Basis	Overpayment Amount
08/31/2010	FARMER, IMA				428	$ 20,000

The following is an example of the web page version of the Pending Overpayment Report.

Note: See subparagraph G for additional information on the options available on the Pending Overpayment Report.

Osage
Oklahoma

United States Department of Agriculture
Farm Service Agency

Date: 09/28/2010

2008 Supplemental Agricultural Disaster Assistance - SURE

Pending Overpayment Report

	Date	Producer Name	Payment ID Number	Contract/ Application/ Farm	Commodity	Debt Basis	Overpayment Amount
☐	08/31/2010	FARMER, IMA				428	$ 20,000

Select All | Deselect All | Reprocess | Transfer Receivable | Print

--*

65 Pending Overpayments Report (Continued)

*--G Options Available on the Pending Overpayment Report

The web page version (html) of the Pending Overpayment Report provides County Office users with various options for handling overpayment amounts that have been computed by the system. The following provides a description of the options available.

Option	Description
Select All	Selects all overpayments listed so subsequent action can be taken, such as reprocessing all overpayments.
Deselect All	Deselects all records that have been selected.
Reprocess	Recomputes overpayments for the selected producers. This option should be used if County Offices want to immediately verify that action taken for a selected producers has corrected an erroneous overpayment condition. **Note**: When updates are made in supporting systems, such as eligibility or SCIMS, those systems notify the Common Payment System that the payment should be recomputed. Generally notifications are processed on a nightly basis. As such, users do not have to reprocess the overpayments following corrective action, but this option is available if the user wants to verify that the action taken has resolved the situation causing the overpayment to be listed in error. **Reminder:** Updates that are made on the System 36, such as updates to the joint operation/entity file, still require an upload to the mainframe. As such, these updates will not be recognized when reprocessing until the upload has occurred.
Transfer Receivable	Provides a manual option that allows users to immediately transfer the overpayment amount to NRRS for the selected producers. Legitimate debts payable to CCC shall be transferred to NRRS immediately upon verification that the producer is overpaid. See paragraph 17 and/or the applicable program handbook for additional information on when overpayments should be manually transferred to NRRS.
Print	Opens a new window with the printer-friendly (pdf) version of the report.

--*

66 Nonpayment/Reduction Report

A Description of Report

The Nonpayment/Reduction Report provides users with the reason a payment was not issued, in full or in part. This report is essentially a snapshot of the data that was used to process the payment/overpayment which can be used by State or County Office users to:

- verify the payments were processed correctly
- take corrective action if a payment was reduced improperly based on incorrect data recorded in the system.

B Availability of Data

The information displayed on the report **is not** "real time" data. Refer to the legend on the Common Payment Reports Menu to determine the date and time the data was last updated.

C Information Provided on the Report

This report includes information for nonpayment conditions, for the payment entity and/or any ineligible member that prevented the full contract/application-level payment from being sent to NPS.

The following information is provided on the Nonpayment/Reduction Report.

<table>
<tr><th>Field</th><th colspan="3">Description</th></tr>
<tr><td rowspan="4">Payment Entity/Member Name</td><td colspan="3">The name of the payment entity or member whose attributed amount was reduced. If the payment entity is a joint operation or entity with members, then the payment entity is listed first, even if there was not an actual reduction applicable to the payment entity. The ineligible members are listed directly below the payment entity.

The name printed is based on the following from SCIMS:

• for individuals, last name, first name, middle name, and suffix
• for businesses, business name.</td></tr>
<tr><td>IF the payment entity is an…</td><td>AND a reduction is applicable to…</td><td>THEN the following is printed on the report…</td></tr>
<tr><td>• individual

• entity without members</td><td></td><td>individual/entity's name is listed. The reasons for the reduction is printed directly below the individual/entity's name.</td></tr>
</table>

66 Nonpayment/Reduction Report (Continued)

C Information Provided on the Report (Continued)

Field	Description		
Payment Entity/Member Name (Continued)	**IF the payment entity is…**	**AND a reduction is applicable to…**	**THEN the following is printed on the report…**
	• joint operation • entity with members	• joint operation • entity	joint operation/entity's name is listed. The reasons for the reduction is printed directly below the joint operation/entity's name.
		member	member's name is listed directly below the joint operation/entity name. The reason for the reduction for the member is printed directly below the member's name.
Business Type	Numeric business type for the selected customer.		
Contract/ Application/Farm	Contract, application, or farm number that is associated with the payment transaction. **Note:** If the selected program does not have a contract, application, or farm number, this field will be blank.		
Commodity	A commodity can be an agricultural crop, type of livestock, or other description as determined by a program. If payments are not calculated at a commodity level for the selected program, this field will be blank. ***--Note:** Some commodities may be abbreviated because of space limitations on some reports. See Exhibit 10 for additional information on commodity codes used for some programs.**--***		
Reason	Reason for the reduction. See subparagraph E for information on the messages that are printed for each applicable reduction. **Note:** Each reduction is listed on the nonpayment/reduction report if there is more than one reduction applicable for the payment entity or member.		
Reduction Amount	Amount of the reduction for the payment entity or member, as applicable. **Note:** Each reduction is listed on the nonpayment/reduction report if there is more than one reduction applicable for the payment entity or member.		
Accumulated Amount	The accumulated amount of all reductions for the payment entity and each member if the payment entity is a joint operation or entity. **Note:** This amount is only printed for the payment entity. **Example:** IMA Farmer Corporation has 2 members. The corporation has a reduction of $10,000 because of an initial payment limitation reduction and one of the members has a $20,000 reduction because of an AGI reduction. The accumulated amount is $30,000.		

D Sort Order

The information on the report is sorted as follows:

- transaction date
- producer name.

66 Nonpayment/Reduction Report (Continued)

E Nonpayment/Reduction Messages

There are 2 types of reductions that may apply:

- general eligibility reductions which may apply to more than one program, such as AGI compliance

- program-specific reductions which apply only to a specific program, such as FAV acre-for-acre reductions apply only to DCP and ACRE.

The following table identifies the general eligibility messages that may be listed on the Nonpayment/Reduction Report and the corrective action that may be taken to resolve the error, if applicable.

Notes: See Exhibit 4 for additional information on which payment eligibility rules apply to various programs.

The following messages are listed in alphabetical order.

Message on Nonpayment/Reduction Report	Description/Corrective Action
Calculated payment exceeds the applicable program payment limitation.	The application/contract-level payment amount exceeds the program payment limitation. • Verify the application/contract data is recorded correctly. • The Estimated Calculated Payment Report can be used to determine how the payment was computed if applicable to the program.
Entity or joint operation data is recorded on the permitted entity file, but the accumulated member shares do not equal 100 percent and the discrepancy exceeds 1 percent.	• County Offices shall refer the case to the State Office specialist responsible for subsidiary processes • State Offices shall contact PECD for guidance.
Member data is not recorded in the entity file.	Producer or member data is not recorded in the joint operation or entity file or the data has not uploaded to the mainframe. • Ensure that the joint operation or entity file data is recorded for the applicable year and at least 4 calendar days to 2 weeks have passed since the data was last updated. • If the joint operation or entity is multi-county, ensure that the joint operation or entity file data is recorded in the county listed as the "Rc St & Cty" on MABDIG for the applicable year.
Member does not meet the substantive change provisions.	Verify the substantive change flag is updated properly in the joint operation file.
Member has not designated to receive payment through the payment entity.	Verify the permitted entity flag is updated properly in the joint operation/entity file.
Member is a 3rd level joint operation or entity.	Verify the member data has been recorded properly in the joint operation/entity file.

66 Nonpayment/Reduction Report (Continued)

E Nonpayment/Reduction Messages (Continued)

Message on Nonpayment/Reduction Report	Description/Corrective Action
Member is not compliant with requirement to provide active personal labor or active personal management.	Verify the member contribution flag is updated properly in the entity file.
Producer or member does not have an active eligibility record.	Ensure that the producer or member is linked to the FSA County Office in SCIMS. If the producer/member is linked in SCIMS: • County Offices shall refer the case to the State Office specialist responsible for subsidiary processes • State Offices shall contact PECD for guidance.
Producer or member has a delinquent debt.	Check the subsidiary eligibility data to ensure that it is updated correctly based on the documentation filed by the producer and the determinations made by COC. See 3-PL for additional information for updating eligibility data.
Producer or member has a fraud violation.	
Producer or member has a NAP non-compliance violation.	
Producer or member has reached the maximum payment under payment limitation provisions.	The accumulated payments for the producer or member equal the effective payment limitation. See paragraph 15 for additional information.
Producer or member is not compliant with “person” provisions.	Check the subsidiary eligibility data to ensure that it is updated correctly based on the documentation filed by the producer and the determinations made by COC. See 3-PL for additional information for updating eligibility data.
Producer or member is not compliant with actively engaged in farming provisions.	
Producer or member is not compliant with AD-1026 certification provisions.	
Producer or member is not compliant with adjusted gross income provisions.	
Producer or member is not compliant with beginning farmer or rancher certification provisions.	
Producer or member is not compliant with conservation compliance provisions.	
Producer or member is not compliant with controlled substance provisions.	
Producer or member is not compliant with limited resource farmer or rancher certification provisions.	
Producer or member is not compliant with socially disadvantaged farmer or rancher certification provisions.	
Producer or member is not compliant with the FCI (FSA-570) certification provisions.	
Producer or member is not compliant with the foreign person eligibility provisions.	
Producer or member is not fully compliant with cash rent tenant provisions.	
Producer or member is not linked in SCIMS for the county where the entity file data is recorded.	Ensure that the producer or member is linked to the FSA County Office in SCIMS.

66 Nonpayment/Reduction Report (Continued)

E Nonpayment/Reduction Messages (Continued)

Message on Nonpayment/Reduction Report	Description/Corrective Action
Producer or member's business type is not eligible for payment.	Review the information recorded in SCIMS and the joint operation/entity file, as applicable, to ensure that both of the following are correct: • business type in SCIMS • entity type on System/36.
Producer or member's entity type on the permitted entity file does not match the business type in SCIMS.	Follow 1-CM, paragraph 196 to correct System 36 data for the applicable years for the payment entity or member, as applicable.
Producer or member's tax ID number is not eligible for payment.	Verify that the producer or member has not provided a valid TIN. If a valid TIN has been provided, update SCIMS with the correct TIN.

F Nonpayment/Reduction Messages – Program-Specific

The following table identifies the program-specific messages that may be listed on the Nonpayment/Reduction Report and the corrective action that may be taken to resolve the error, if applicable.

Message on Nonpayment/Reduction Report	Applicable Programs	Description/Corrective Action
Farm and/or producer has a DCP/ACRE maintenance violation.	• DCP • ACRE	Verify that the maintenance violation information has been recorded properly. See 4-CP.
Farm and/or producer has an FAV planting violation.	• DCP • ACRE	Verify that the FAV planting violation information has been recorded properly. See 4-CP.
Farm and/or producer has an FAV reporting violation.	• DCP • ACRE	Verify that the FAV reporting violation information has been recorded properly. See 4-CP.
Farm does not meet the minimum requirement of more than 10 total base acres for all crops.	• DCP • ACRE	Verify that contract properly reflects the base acreage associated with the farm. See 2-DCP and 3-CM.
Farm includes highly erodible land but a conservation plan is not being applied.	• DCP • ACRE	Verify that the HEL information is recorded properly in the Farm Records System. See 3-CM.
Farm is not eligible because an acreage report for all cropland has not been completed.	• DCP • ACRE	Verify that all cropland has been reported for the applicable farm. See 2-CP.
Payment reduced by amount received for the same loss.	• LIP • LFP	Verify that the payment reduction has been recorded properly on the LIP or LFP application.
Payment reduced by other compensation received by a contract grower.	LIP	Verify that the payment reduction has been recorded properly on the LIP application.
Producer has refused payment.	• DCP • ACRE	Producer is flagged on the DCP or ACRE contract as refusing payment. Verify that the information recorded in the DCP contract software is updated correctly. See 2-DCP.
Producer is not a United States citizen or a legal resident alien.	• ELAP • LIP • LFP • SURE	Producer applying for payment is not a United States citizen or a legal resident alien. Verify that the citizenship and resident alien status is updated correctly in SCIMS. See 1-CM.
Producers associated with this contract/application/farm are not eligible due to a violation.	• DCP • ACRE	DCP or ACRE contract is in violation of applicable program provisions. Verify that the contract data is updated properly. See 2-DCP.

66 Nonpayment/Reduction Report (Continued)

G Example of Report

The following is an example of a Nonpayment/Reduction Report.

Coahoma
Mississippi

United States Department of Agriculture
Farm Service Agency

Date: 06/29/2010
Page: 1

2008 Supplemental Agricultural Disaster Assistance - Stimulus
Nonpayment/Reduction Report

Name	Business Type	Contract/ Application/ Farm	Commodity	Reduction Amount	Accumulated Amount
Farmer, Ima	00				$ 35,268
Producer or member's tax ID number is not eligible for payment.				$ 35,268	
General Partnership 1	02				$ 1,798
Member 1	00				
Producer or member is not compliant with adjusted gross income provisions.				$ 899	
Member 2	00				
Producer or member is not compliant with adjusted gross income provisions.				$ 899	

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67 Insufficient Funds Report

A Description of Report

The Insufficient Funds Report provides a report of payments that could not be processed because sufficient funds are not available. There are 2 types of funds control processes.

- Some programs require funds to be obligated when the contract or application is approved for payment. Obligations are handled internally by the system and State and County Office users are not required to allocate funds in the Financial E-Funds system.

  Examples: DCP-Direct and ACRE-Direct are examples of programs that require funds to be obligated.

  TAP obligations must be allocated by State Office users once an application is approved.

- Other programs require funds to be allocated to the applicable State and county through the Financial E-Funds system before the payment can be sent to NPS.

  Example: DCP Counter-Cyclical and SURE are examples of programs that require funds to be allocated.

B Availability of Data

The information displayed on the report includes “real time” data.

C Information Provided on the Report

Since this report includes information that would be submitted to NPS if sufficient funds were available, this report only includes the payment entity name. Data attributed to members of joint operations and entities is not listed on the report.

67 Insufficient Funds Report (Continued)

C Information Provided on the Report (Continued)

The following information is provided on the Insufficient Funds Report.

Field	Description	
Date	Date the payment was calculated and was attempted to be sent to NPS.	
Producer Name	Payment entity's name from SCIMS according to the following.	
	For	**Name Displayed/Printed**
	Individuals	Last name, first name, middle name, and suffix
	Businesses	Business name
Business Type	Numeric business type for the applicable payment entity.	
Contract/ Application/Farm	Contract, application, or farm number that is associated with the payment transaction. **Note:** If the selected program does not have a contract, application, or farm number, this field will be blank.	
Calculated Payment Amount	Amount of the payment that would have been sent to NPS if sufficient funds had been available.	
Total Insufficient Funds	The accumulated total for all producers listed on the insufficient funds report included in the selected search criteria. This total amount can be used by the National or State Office to determine the amount that should be allocated to the applicable County Office.	

D Sort Order

The information on the report is sorted by payment entity name.

68 Payment Computed to Zero Report

A Description of Report

The Payment Computed to Zero Report provides a report of payments that will not be processed because the calculated program payment amount is $0 before any reductions or eligibility provisions are applied.

Example: IMA Farmer has 100 percent interest in 0.1 DCP oats base acres on FSN 1. Although the crop is enrolled, the calculated contract-level payment is less than 50 cents so the payment amount is $0.

Note: The Nonpayment/Reduction Report may also include payments computed to $0, but those are the result of a contract/application level payment that started out as greater than $0 but has been reduced to $0 due to an ineligibility condition of some kind.

B Availability of Data

The information displayed on the report includes “real time” data.

C Information Provided on the Report

Since this report includes contract/application level information and is never sent through the common payment process, this report only includes the payment entity name. Data attributed to members of joint operations and entities is not listed on the report.

The following information is provided on the Payment Computed to Zero Report.

Field	Description	
Date	Date the payment was calculated and was determined to be $0.	
Producer Name	Payment entity’s name from SCIMS according to the following.	
	For	**Name Displayed/Printed**
	Individuals	Last name, first name, middle name, and suffix
	Businesses	Business name
Business Type	Numeric business type for the applicable payment entity.	
Contract/ Application/Farm	Contract, application, or farm number that is associated with the payment transaction. **Note:** If the selected program does not have a contract, application, or farm number, this field will be blank.	
Commodity	A commodity can be an agricultural crop, type of livestock, or other description as determined by a program. If payments are not calculated at a commodity level for the selected program, this field will be blank. ***--Note:** Some commodities may be abbreviated because of space limitations on some reports. See Exhibit 10 for additional information on commodity codes used for some programs.--*	

68 Payment Computed to Zero Report (Continued)

D Sort Order

The information on the report is sorted as follows:

- contract, application, or farm number, if applicable
- producer name.

69 Payment History Report – Summary Level

A Description of Report

The Summary Payment History Report provides information pertinent to each payment/overpayment transaction processed based on the selected search criteria. This report is essentially a snapshot of the data that was used to process the payment/overpayment which can be used:

- for audit purposes
- by users to determine how a payment was computed
- for reviewing data to ensure that payments and overpayments are computed properly.

Example: A payment was issued to IMA Farmer General Partnership, however the user believes the payment was not issued in full. The payment history summary report will list the payment or reduction amount attributed to each member of the partnership.

If a portion of the payment was reduced, the user can then see who the reduction applied to and use the Nonpayment/Reduction Report to determine the reason for the reduction.

B Availability of Data

The information displayed on the report is **not** "real time" data, but is updated every 24 hours. Refer to the legend on the Common Payment Reports Menu to determine the date and time the data was last updated.

C Information Provided on the Report

This report includes transactional data that has been sent to NPS and NRRS for a payment entity or member, as selected by the user through the search criteria. The following information is provided on the summary level payment history report.

Field	Description
Date	• Date the payment transaction was processed and sent to NPS. • Date the overpayment was processed and sent to NRRS.
State/County	State and county code associated with the applicable transaction record.

69 Payment History Report – Summary Level (Continued)

C Information Provided on the Report (Continued)

Field	Description		
Payment Entity/Member Name	This field specifies the payment entity or member that the line item is applicable for. The name printed is based on the following from SCIMS: • for individuals, last name, first name, middle name, and suffix • for businesses, business name.		
	IF the report is generated for…	**AND the payment entity is an…**	**THEN …**
	the payment entity	• individual • entity without members	the individual's or entity's name is listed on the first line of the transaction
	the payment entity	• joint operation • entity with members	• the joint operation or entity name is listed on the first line of the transaction • each member in the operation is listed below the payment entity
	a member		• the joint operation or entity name is listed on the first line of the transaction • the selected member's name is listed below the payment entity.
Payment ID Number	Unique number that ties the program history data to the NPS history data.		
Business Type	Numeric business type for the selected customer.		
Contract/ Application/Farm	Contract, application, or farm number that is associated with the payment transaction. **Note:** If the selected program does not have a contract, application, or farm number, this field will be blank.		

69 Payment History Report – Summary Level (Continued)

C Information Provided on the Report (Continued)

<table>
<tr><th>Field</th><th colspan="2">Description</th></tr>
<tr><td>Commodity</td><td colspan="2">A commodity can be an agricultural crop, type of livestock, or other description as determined by a program. If payments are not calculated at a commodity level for the selected program, this field will be blank.

--Note: Some commodities may be abbreviated because of space limitations on some reports. See Exhibit 10 for additional information on commodity codes used for some programs.--*</td></tr>
<tr><td>Transaction Type</td><td colspan="2">One of the following transaction types will be displayed/printed:

• “Payment”, indicating the transaction was sent to NPS

• “Receivable”, indicating the transaction was sent to NRRS

• “Canceled payment”, indicating the payment was originally sent to NPS but was canceled before it was certified/signed.</td></tr>
<tr><td>Gross Payment</td><td colspan="2">Amount of the payment initially attributed to the payment entity or member, as applicable.</td></tr>
<tr><td rowspan="4">Total Reduction Amount</td><td colspan="2">Total reductions on file for the payment entity or member by transaction.</td></tr>
<tr><td>IF the transaction is for…</td><td>THEN the reduction includes the accumulated reductions for…</td></tr>
<tr><td>payment entity</td><td>• payment entity
• each member of the operation.</td></tr>
<tr><td>member</td><td>only the applicable member.</td></tr>
<tr><td>Net Payment</td><td colspan="2">Final attribution amount determined by the direct attribution common process for the payment entity or member as applicable. This is the amount sent to NPS for the payment entity.</td></tr>
</table>

--

69 Payment History Report – Summary Level (Continued)

D Sort Order

The information on the report is sorted as follows:

- transaction date
- producer name.

E Example of Report

The following is an example of a Summary Payment History Report.

Coahoma
Mississippi

United States Department of Agriculture
Farm Service Agency

Date: 06/29/2010
Page: 1

2008 Supplemental Agricultural Disaster Assistance - Stimulus
Payment History Report - Summary Level

Producer Name: **General Partnership 1**
Business Type: General Partnership

Date	State/ County	Payment Entity / Member Name	Payment ID Number	Business Type	Contract/ Application/ Farm	Commodity	Transaction Type	Gross	Total Reduction	Net Payment
11/13/2009	28/027	General Partnership 1	7532832	02			Payment	$ 924	$ 0	$ 924
		Member 1		00					$ 0	$ 308
		Member 2		00					$ 0	$ 308
		Member 3		00					$ 0	$ 308

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70 Payment History Report – Detail Level

A Description of Report

The detail payment history report is program-specific and some programs may not have this report. Users can access the Detail Payment History Report through the Common Payment Reports System, but information about each report is not included in this handbook.

Refer to the applicable program handbook for a description of the information on the Detail Payment History Report.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		36, 55, 66, Ex. 5, 6
CCC-901	Members Information 2009 and Subsequent Years		26
CCC-902E	Farm Operating Plan for an Entity 2009 and Subsequent Program Years		16, 26

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in Exhibit 102.

Approved Abbreviation	Term	Reference
BCAP	Biomass Crop Assistance Program	35
EFRP	Emergency Forest Restoration Program	35
ELAP	Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program	1, 15, 35, 51, 66, Ex. 4, 6
NRRS	National Receipts and Receivables System	Text
SURE	Supplemental Revenue Assistance Payments Program	Text, Ex. 4, 6

Redelegations of Authority

None

Definitions of Terms Used in This Handbook

Embedded Entity

An embedded entity is an entity that has an interest, directly or indirectly, as a stockholder, member, beneficiary, or heir, in another entity that is earning payments.

Entity

An entity is a business with a SCIMS business type other than individual, general partnership, or joint venture.

Entity Without Members

An entity without members is a legal entity but the members do not have an ownership interest. Member data is not required to be recorded in the entity file software on the S/36 for entities without members. These include the following SCIMS business types:

- revocable trust using a Social Security number
- church, charity, or non-profit organization
- public school
- Indians Represented by BIA
- Indian Tribal Venture
- limited liability company using a Social Security number.

Joint Operation

A joint operation is a business with a SCIMS business type of general partnership or joint venture.

Legal Entity

A legal entity is an entity that is created under Federal or State law that owns land or an agricultural commodity or produces an agricultural commodity. For FSA purposes, a legal entity includes joint operations and entities.

Definitions of Terms Used in This Handbook (Continued)

Payment Entity

A payment entity is a producer associated with an application or contract.

Example: IMA Farmer General Partnership is the producer associated with a DCP contract and is comprised of 4 members. IMA Famer General Partnership is the payment entity that will ultimately receive the DCP payment.

Person

A person is a natural person and does not include a legal entity.

Note: This definition applies to persons under 4-PL provisions and not "person" rules under 1-PL provisions.

Menu and Screen Index

The following menus and screens are displayed in this handbook.

Menu or Screen	Title	Principal Reference
	Common Payment Reports Menu	54
	Search Nonpayment/Reduction Report	55

Payment Eligibility Overview

A Eligibility Certification/Determination Applicable to Specific Programs

As described in paragraph 13, the web-based eligibility system is read to determine payment eligibility. State and County Offices shall use the following exhibits indicating eligibility certifications/determinations applicable for a specific program and program year.

B DCP/ACRE Payment Eligibility Certifications/Determinations

The following table lists the programs administered under DCP/ACRE with the payment eligibility exhibit reference for review.

Program Name	Program Year	Exhibit 5 Subparagraph
DCP/ACRE Direct	2009 and Future	A
DCP Counter-Cyclical	2009 and Future	B
ACRE	2009 and Future	C

C Disaster Assistance Program Eligibility Certifications/Determinations

The following table lists the programs administered under Disaster Assistance Program with the payment eligibility exhibit reference for review.

Program Name	Program Year	Exhibit 6 Subparagraph
SURE	2008	A
	2009 and Future	B
ELAP	2008	C
	2009 and Future	D
LFP	2008	E
	2009 and Future	F
LIP	2008	G
	2009 and Future	H
TAP	2008	I
	2009 and Future	J

DCP/ACRE Payment Eligibility Certifications/Determinations

A DCP/ACRE– Direct – 2009 and Future Years

The following payment eligibility provisions are applicable for DCP and ACRE direct payments for 2009 and future years.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
Actively Engaged	• Actively Engaged	• Not Filed • Awaiting Determination • Awaiting Revision • Not Actively Engaged	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Adjusted Gross Income				
Commodity	• Compliant-Producer • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes
Direct	• Compliant-Producer • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes
Foreign Person	• Yes • Not Applicable	• No • Pending	Yes	Yes
Member Contribution	• “Y” • “P”	• “N” • “blank”	No	Yes
Substantive Change	• “Y” • “U”	• “N” • “blank”	Yes	No
Three Member Level Rule			Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do “person” or attribution rules apply to the program?	Attribution
Do cash rent tenant rules apply to the program?	Yes
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	Yes

DCP/ACRE Payment Eligibility Certifications/Determinations (Continued)

B DCP - Counter-Cyclical – 2009 and Future Years

The following payment eligibility provisions are applicable for DCP counter-cyclical payments for 2009 and future years.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
Actively Engaged	• Actively Engaged	• Not Filed • Awaiting Determination • Awaiting Revision • Not Actively Engaged	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Adjusted Gross Income				
Commodity	• Compliant-Producer • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes
Foreign Person	• Yes • Not Applicable	• No • Pending	Yes	Yes
Member Contribution	• “Y” • “P”	• “N” • “blank”	No	Yes
Substantive Change	• “Y” • “U”	• “N” • “blank”	Yes	No
Three Member Level Rule			Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do “person” or attribution rules apply to the program?	Attribution
Do cash rent tenant rules apply to the program?	Yes
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	Yes

DCP/ACRE Payment Eligibility Certifications/Determinations (Continued)

C ACRE – 2009 and Future Years

The following payment eligibility provisions are applicable for ACRE payments for 2009 and future years.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
Actively Engaged	• Actively Engaged	• Not Filed • Awaiting Determination • Awaiting Revision • Not Actively Engaged	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Adjusted Gross Income				
Commodity	• Compliant-Producer • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes
Foreign Person	• Yes • Not Applicable	• No • Pending	Yes	Yes
Member Contribution	• “Y” • “P”	• “N” • “blank”	No	Yes
Substantive Change	• “Y” • “U”	• “N” • “blank”	Yes	No
Three Member Level Rule			Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do “person” or attribution rules apply to the program?	Attribution
Do cash rent tenant rules apply to the program?	Yes
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	Yes

Disaster Assistance Program Payment Eligibility Certifications/Determinations

A SURE – 2008

The following payment eligibility provisions are applicable for SURE payments for 2008.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
NAP Non-Compliance	• Compliant	• Not Compliant - COC	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Person Eligibility – 2002 Farm Bill	• COC Determination Completed	• Not Filed • Awaiting Determination • Awaiting Revision	Yes	No
Adjusted Gross Income	• Compliant-CCC-526 • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do “person” or attribution rules apply to the program?	Person
Do cash rent tenant rules apply to the program?	No
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	No

Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)

B SURE – 2009 and Future Years

The following payment eligibility provisions are applicable for SURE payments for 2009 and future years.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
NAP Non-Compliance	• Compliant	• Not Compliant - COC	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Adjusted Gross Income				
Commodity	• Compliant-Producer • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes
Substantive Change	• "Y" • "U"	• "N" • "blank"	Yes	No
Three Member Level Rule			Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do "person" or attribution rules apply to the program?	Attribution
Do cash rent tenant rules apply to the program?	No
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	No

Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)

C ELAP – 2008

The following payment eligibility provisions are applicable for ELAP for 2008.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Person Eligibility – 2002 Farm Bill	• COC Determination Completed	• Not Filed • Awaiting Determination • Awaiting Revision	Yes	No
Adjusted Gross Income	• Compliant-CCC-526 • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do “person” or attribution rules apply to the program?	Person
Do cash rent tenant rules apply to the program?	No
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	No

Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)

D ELAP – 2009 and Future Years

The following payment eligibility provisions are applicable for ELAP for 2009 and future years.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Adjusted Gross Income				
Commodity	• Compliant-Producer • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes
Substantive Change	• "Y" • "U"	• "N" • "blank"	Yes	No
Three Member Level Rule			Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do "person" or attribution rules apply to the program?	Attribution
Do cash rent tenant rules apply to the program?	No
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	No

Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)

E LFP – 2008

The following payment eligibility provisions are applicable for LFP for 2008.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Person Eligibility – 2002 Farm Bill	• COC Determination Completed	• Not Filed • Awaiting Determination • Awaiting Revision	Yes	No
Adjusted Gross Income	• Compliant-CCC-526 • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do “person” or attribution rules apply to the program?	Person
Do cash rent tenant rules apply to the program?	No
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	No

Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)

F LFP - 2009 and Future Years

The following payment eligibility provisions are applicable for LFP for 2009 and future years.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Adjusted Gross Income				
Commodity	• Compliant-Producer • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes
Substantive Change	• “Y” • “U”	• “N” • “blank”	Yes	No
Three Member Level Rule			Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do “person” or attribution rules apply to the program?	Attribution
Do cash rent tenant rules apply to the program?	No
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	No

Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)

G LIP – 2008

The following payment eligibility provisions are applicable for LIP for 2008.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Person Eligibility – 2002 Farm Bill	• COC Determination Completed	• Not Filed • Awaiting Determination • Awaiting Revision	Yes	No
Adjusted Gross Income	• Compliant-CCC-526 • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do “person” or attribution rules apply to the program?	Person
Do cash rent tenant rules apply to the program?	No
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	No

Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)

H LIP – 2009 and Future Years

The following payment eligibility provisions are applicable for LIP for 2009 and future years.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Adjusted Gross Income				
Commodity	• Compliant-Producer • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes
Substantive Change	• "Y" • "U"	• "N" • "blank"	Yes	No
Three Member Level Rule			Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do "person" or attribution rules apply to the program?	Attribution
Do cash rent tenant rules apply to the program?	No
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	No

Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)

I TAP – 2008

The following payment eligibility provisions are applicable for TAP for 2008.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Person Eligibility – 2002 Farm Bill	• COC Determination Completed	• Not Filed • Awaiting Determination • Awaiting Revision	Yes	No
Adjusted Gross Income	• Compliant-CCC-526 • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do “person” or attribution rules apply to the program?	Person
Do cash rent tenant rules apply to the program?	No
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	No

Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)

J TAP – 2009 and Future Years

The following payment eligibility provisions are applicable for TAP for 2009 and future years.

Certification/ Determination	Eligible Values	Not Eligible Values	Applicable to Members	
			Joint Operations	Entities
Fraud, including FCIC Fraud	• Compliant	• Not Compliant	Yes	No
Conservation Compliance - Farm/Tract Eligibility	• In Compliance • Partial Compliance • No Association • Reinstated	• In Violation • Partially Eligible • Past Violation	Yes	No
Controlled Substance	• No Violation	• Growing • Trafficking • Possession	Yes	No
AD-1026	• Certified • Good Faith Determination • COC Exemption	• Not Filed • Awaiting Affiliate Certification • Affiliate Violation	Yes	No
Adjusted Gross Income				
Commodity	• Compliant-Producer • Compliant – Agent • Exempt	• Not Filed • Not Met- COC • Not Met - Producer	Yes	Yes
Substantive Change	• "Y" • "U"	• "N" • "blank"	Yes	No
Three Member Level Rule			Yes	Yes

In addition, the following additional rules apply to this program.

Rule	Applicability
Do "person" or attribution rules apply to the program?	Attribution
Do cash rent tenant rules apply to the program?	No
Are Federal entities eligible?	No
Are State and Local Governments eligible?	No
Are Public Schools eligible?	No

***--Commodity Types Used by Common Payment Reports**

A Introduction

Many of the Common Payment Reports include a "Commodity" field that is used by the program to designate the amount processed for an applicable commodity. A commodity can be:

- agricultural crop, such as wheat, corn, etc. used for DCP and ACRE
- type of livestock, such as livestock kind and type used for LIP
- other description as determined by an applicable program.

For some programs, payments may be calculated at a lower level by commodity, but the amount is not actually paid by commodity. SURE is an example where amounts are computed by commodity but accumulated to the producer level and one amount is then paid for the producer's entire farming operation. In cases such as this, the commodity field is "blank" on the Common Reports.

In some cases, the commodity information exceeds the amount of space available to be printed on the report and codes may have to be used to differentiate one commodity amount from another. This exhibit provides a list of commodities and codes used for various programs.**--***

***--Commodity Types Used by Common Payment Reports (Continued)**

B Commodities Used for LIP

The following:

- provides a list of the commodities used for LIP
- is printed on the Common Reports in the "Commodity" field:
    - Livestock Kind Code
    - Livestock Type Code.

Kind Description	Type/Weight Range Description	Livestock Kind Code	Livestock Type Code
Alpacas	All	ALPAC	01
Beef	Nonadult – Less than 400 pounds	BEEF	01
	Nonadult – 400 to 799 pounds		02
	Nonadult – 800 pounds or more		03
	Adult – Cow		04
	Adult – Bull		05
Buffalo/Beefalo	Nonadult – Less than 400 pounds	BUFF	01
	Nonadult – 400 to 799 pounds		02
	Nonadult – 800 pounds or more		03
	Adult – Cow		04
	Adult – Bull		05
Chickens	Layers/Roasters	CHICK	01
	Broilers/Pullets		02
	Chicks		03
Dairy	Nonadult – Less than 400 pounds	DAIRY	01
	Nonadult – 400 to 799 pounds		02
	Nonadult – 800 pounds or more		03
	Adult – Cow		04
	Adult – Bull		05
Deer	All	DEER	01
Ducks	Ducks	DUCKS	01
	Ducklings		02
Elk	All	ELK	01
Emus	All	EMUS	01
Equine	All	EQUIN	01
Geese	Goose	GEESE	01
	Gosling		02

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***--Commodity Types Used by Common Payment Reports (Continued)**

B Commodities Used for LIP (Continued)

Kind Description	Type/Weight Range Description	Livestock Kind Code	Livestock Type Code
Goats	Bucks	GOATS	01
	Does		02
	Slaughter goats/kids		03
Llamas	All	LLAMA	01
Reindeer	All	RDEER	01
Sheep	Rams	SHEEP	01
	Ewes		02
	Lambs		03
Swine	Sows/Boars – Over 450 pounds	SWINE	01
	Sows/Boars/Barrows/Gilts – 151 to 450 pounds		02
	Lightweight Barrows/Gilts – 50 to 150 pounds		03
	Feeder Pigs – Under 50 pounds		04
Turkeys	Toms/Fryers/Roasters	TURK	01
	Poults		02

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