Farm Service Agency



Fact Sheet September 2004

Assigning FSA and CCC Payments

Background

An "assignment of payment" is a service provided by the Farm Service Agency (FSA) for producers. Producers who are eligible to receive specified program payments from FSA or Commodity Credit Corporation (CCC) programs may arrange to have all or part of their payments assigned directly to another party either by electronic funds transfer (EFT) using the Automated Clearing House (ACH) method or by check. This allows a third party, such as a person or entity, to receive a select program payment directly from FSA/CCC in lieu of receiving the payment from a producer.

How to Assign a Program Payment

To assign eligible FSA or CCC program payments, producers must either use the web-based Assignment application or submit a completed CCC-36, Assignment of Payments form. Contractors must complete CCC-251, Notice of Assignment form, and CCC-252, Instrument of Assignment form.

Payments issued to assignees (third parties) can be processed through the EFT system. The assignee must complete and sign SF-1199A, Direct Deposit Sign-up form, or SF-3881, ACH Vendor/ Miscellaneous Payment Enrollment form to initiate EFT transactions.

Eligible Programs for Assigned Payments

Many FSA and CCC programs are eligible for assignment of payments. Producers may assign program payments, as specified by program law or regulation, for FSA and CCC programs that have been publicly announced except for FSA or CCC loans or purchase agreement proceeds.

Assignment Conditions

An assignment of payment may be for any purpose and must be for a specific amount, but cannot be issued:

- for a reassigned payment
- when the assigned payment is the subject of an administrative appeal
- when the dollar amount being assigned is not stated.

Producers must inform the local FSA county office staff immediately of any changes affecting an assigned payment, such as when an assigned amount is being reduced or an assignment is being terminated. After the assignment is established, the assignee must concur before a change is applied or an assignment is terminated.

Overpayment of Assigned Payment(s)

The assignor (producer) must work with the assignee to receive the overpayment of an assignment.

Assignment Payment Priority

If there is any indebtedness owed by the producer to the Federal government on the day a payment is being made, the amount may be subtracted from the assigned payment before it is made to the assignee according to the special provision related to assignments as stated on the reverse side of form CCC-36, Assignment of Payment.

Reproducing Electronic Form CCC-36, Assignment of Payment

Form CCC-36, Assignment of Payment, is available at USDA Service Centers. Producers, financial institutions, or third parties can also print the form by accessing the USDA eForms Web site at: http:// forms.sc.egov.usda.gov/

A financial institution may create an electronic version of CCC-36. However, the created electronic version must:

- be the mirror image of the most current version of the form
- contain all privacy act information
- include the following verbiage along the bottom margin of the form: "Electronic version reproduced by (insert name of company) using (insert name of the software used)"

be registered with the U.S. Department of Agriculture, Farm Service Agency, Management Services Division, Information Management Branch, Forms, Graphics, and Records Management Section.

Gaining Access to the Web Based Assignment Application

In order to protect personal identity, an assignor or assignee must first register for a level 2 account with USDA's e-Authentication system to obtain a user ID and password. The process is easy and starts online by creating a user ID and password and confirming the user's e-mail address. On the USDA Web site at www.usda.gov, click on the link to "View USDA Customer Statement". From there, the user can request to get a log on ID.

Once an assignor or assignee has obtained a level 2 e-Authentication ID, the secured FSA Financial Services' Web site becomes available to complete an assignment for the assignor or assignee registered to the user ID. Log on to the FSA Web site at www.fsa.usda.gov, and select the Financial Inquiries link under the "Services/Programs" banner.

For additional information to gain access to the web-based assignment application, and other FSA financial services, contact your local FSA county office.

For More Information

For additional information on assigning FSA and CCC program payments and other FSA programs and services, contact your local FSA county office, or visit FSA's Web site at: http://www.fsa.usda.gov

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