

For: State and County Offices

Program Delivery Task Force Report

Approved by: Administrator



1 Overview

A

Background

The Secretary acknowledges the challenge FSA has before them at the State Executive Director (SED)/District Director (DD) conference held in September. The Secretary challenged FSA to find ways to maximize their resources. The Administrator took his lead and established a task force to find ways to improve program delivery in the field.

This task force was asked to develop a process and provide input to streamline and eliminate tasks that were redundant or unnecessary without adversely affecting the integrity of the programs. The 3 functional areas of consideration were Administrative, Farm Loan Program (FLP), and Farm Program. Members of the task force include SED's, DD's, County Executive Directors (CED's), Farm Loan Managers (FLM's), Farm Loan Officers (FLO's), and Program Technicians (PT's) from State and County Offices.

B

Purpose

This notice:

- outlines the process used to identify options for improving the work environment
- identifies the status and timeframes for recommended issues in the areas of Administrative, FLP, and Farm Program in Exhibits 1 through 3
- establishes the next steps in following through this process.

<p>Disposal Date</p> <p>January 1, 2002</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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2 Evaluation Process

A

Categorizing

The task force focused on these 3 major principles when identifying a process that can be either eliminated or modified.

- Does this process add any significant value?
- What impact does the process have on the work environment?
- Can we accomplish the improvement in a short timeframe?

Once these lists were made, the task force categorized them in the 3 functional areas of Administrative, FLP, and Farm Program.

B

Presentation

In the task force's first meeting, they outlined the issues and provided the background and a recommendation for action. The members of the task force presented their findings to senior management and functional experts. OIG and OGC were also in attendance to provide their advice and expertise.

A written report on all the major items categorized was provided to the respective Deputy Administrator's office for:

- follow up
 - their response on the recommendations made by the task force.
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C

Responses/ Analysis

The task force analyzed the responses provided by staff after a follow-up session was held to provide clarity on both the recommendations and responses. The recommendations and associated responses are in Exhibits 1 through 3.

The responses to improve or eliminate a process can be summarized in 1 of the following categories:

- limitation on change because of statutory or regulatory requirement
 - change constraints limited to resources and time
 - change in position or policy being debated
 - recommendation implemented or to be implemented.
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Notice AO-1240

3 Action

A State Office Action

State Offices shall:

- distribute this notice to County Offices
- implement changes once received through policy and procedure updates

Note: This notice does not provide notice of implementation.

- evaluate and support recommendations for improvement within the State and County Office authorities.
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B Standing Task Force

Since improving FSA's delivery system is an evolving process with new and refined ideas emerging, it has been determined that a standing task force be maintained.

The original members of the Program Delivery Task Force will have 3 meetings during FY 2001. The first meeting is tentatively scheduled for February 2001.

To enhance the process, each Deputy Administrator will appoint a representative to be a member of the task force. Both headquarters and field personnel will be working together to improve and enhance FSA services.

Note: This task force will continue to report directly to the Administrator's office.

C Employee Input/Charge

Employees are encouraged to submit suggestions or ideas with the Employee's Suggestion Program using AD-287 in 7-PM through their chain of command.

The President has directed the heads of executive departments and agencies to streamline the granting of waivers of internal agency rules to facilitate innovation and improve service to the public. In February 2000, the Secretary responded by issuing a waiver policy for internal USDA rules (Secretary's Memorandum 2570-1). A waiver is:

- a delegation of authority to deviate from an existing internal agency policy or procedure
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Notice AO-1240

3 Action (Continued)

C

Employee Input/Charge (Continued)

- used to make operations work better, cost less, and get the results that the American people care about.

For purposes of the Secretary's Memorandum, a rule is any process, procedure, policy, or noncodified USDA regulation. Any USDA employee may request a waiver by submitting the request form directly to the waiver point of contact. FSA's contact is Gypsy Banks at (telephone) 202-720-8453, (FAX) 202-690-2823, or (e-mail) Gypsy_banks@wdc.fsa.usda.gov.

Note: The task force will incorporate the process and concept noted in this notice.

D

Additional Information

For additional information, contact Linda Cronin at 202-720-7228. A list of task force members is in Exhibit 4.

Status and Timeframes for Recommended Issues in Administrative Areas

Issues	Recommendations	Status and Timeframes
<p>1. Eliminate FSA-603 for State and County Offices.</p>	<p>1. CCC-257's list all data currently being manually recorded on FSA-603. For concentrated banking County Offices, CCC-257 would suffice. For County Offices that use the lock box system, FSA-592 would serve as the record keeping/logging in document.</p> <p>2. If FSA-603 cannot be eliminated, it could be revised to include and simplify the needed information, such as including a block for the schedule number and eliminating the producer ID number.</p>	<p>DAM Response: "FMD believes that FSA-603 serves an important purpose in controlling collections made at the County Office. FSA-603 could be revised to simplify the entries and make FSA-603 more useful. Requirement is that enough information be collected to be able to obtain a replacement check if the original check is lost. A team of State Office, County Office, and FMD staff could be established to revise FSA-603."</p> <p>The Task Force agreed with DAM's projection of January 2001 to revise or eliminate FSA-603 with input from the field.</p>
<p>2. Quarterly Awards Report: FSA-70 Quarterly reports are required. County Offices are no longer the official record keeper for personnel files. Data required in this report is on file at the State Office.</p>	<p>Since the information is already available at the State Office and County Offices are not responsible for maintaining files where the records are located, the report should be generated by the State Office only.</p>	<p>DAM Response: "HRD is in agreement and a subsequent change to procedures will address moving the reporting responsibility from the county to the State Office. FSA-70 will also be changed to reflect the proper signatory, since CED will no longer be required to sign and submit the report."</p> <p>The Task Force recognizes recent implementation of change in procedure.</p>
<p>3. Redundant requirement for accessibility reporting FSA-830. Each agency that occupies the Service Center is required to annually report accessibility. Each agency uses their own forms.</p>	<p>USDA develop 1 form to be used by the lead leasing agency for each Service Center, thereby requiring the lead leasing agency to be responsible for meeting this ADA requirement.</p>	<p>DAM Response: "Realty, Accessibility, and Human Resources specialists from FSA, RD, and NRCS recognize the redundancy in reporting requirements and agree with the recommendation. The agencies are working together to develop an AD form that would standardize data collection and could be used by any of the county based agencies present at a location. In the dominant Service Center environment, the lease holding agency would be responsible for the reporting requirements; however, all agencies would be expected to contribute to bringing an office into ADA compliance on a pro-rata basis."</p> <p>The Task Force has DAM's assurance of this being completed with the next annual report.</p>

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Status and Timeframes for Recommended Issues in Administrative Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>4. Central repository for data.</p>	<p>Establish an email address for each County Office for data to be submitted to the County Office, such as forms or correspondence from a producer, or information that may come from the State Office that may be generic to the county.</p>	<p>DAM Response: “The addition of a shared folder email address for each office has already been approved and is in the process of being implemented. When implementation is completed, it will allow producers to send email to the generic email address, and anyone within that office can respond to concerns and email from the producers.”</p> <p>“The Service Center agencies are implementing e-mailing and e-commerce initiatives. This will allow producers to access and submit electronic forms, applications, etc. Not later than December 18, the agencies plan to deploy a common Internet website that will permit agricultural producers and the customers of RD to access and download forms used to collect information needed to participate in the agencies’ respective programs and services. The common Internet website will be deployed on the emerging web farm architecture developed by the agencies. The website will utilize a single Internet address and provide common search and retrieval functions for all available forms.”</p> <p>“The CCE, with the partnering of the Service Center agencies, is working toward standardization in business operations at the Service Centers, elimination of duplicate efforts, and sharing of producer and farm information.”</p> <p>The Task Force agrees with DAM’s response.</p>
<p>5. 765 Backup Logs. County Offices are required to complete FSA-765 each time a backup is created.</p>	<p>Eliminate the requirement to complete FSA-765. According to the County Operations Review Program Fiscal Year 2000 Preliminary Report, County Offices have not been completing FSA-765 for each backup as required. The information is also required to be entered on the label and is, therefore, time consuming and redundant. FSA-765 serves as no value other than a log.</p>	<p>DAM Response: “2-IRM is being revised, the need for the backup log will be addressed.”</p> <p>The Task Force agrees with DAM’s response of implementation by December 2001.</p>

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Status and Timeframes for Recommended Issues in Administrative Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>6. COC Election Ballots. Employees have experienced difficulty with the printing of the COC election ballots.</p>	<p>Obtain a contract with a vendor who can provide a perforated form that would be more compatible with our tractor feed printers, especially if it reduces paper jams. If the vendor cannot provide a form that would print without frequent printer jams, consider another type of ballot that could be printed on the laser printer. However, in either situation, simplify the instructions to the producers so the number of spoiled ballots decrease. Thus, an increase in the eligible votes for the COC election.</p>	<p>DAM Response: “Over the years, a number of solutions have been tried to improve the printing of the ballots and the way they are processed on System 36 printers. None of these efforts have eliminated the problems. A possible solution that has been recommended by MSD is a direct mail contact. The direct mail method is similar to the process used for processing the annual CCC-1099-G. Under this method, counties would upload election data and voter addresses to Kansas City where it would be consolidated. The data would be given to a contractor to output to ballots using high speed printers and mail them directly to the voters. The completed ballot would then be returned to the County Office for counting as it is currently done. A task force will be established early next year to examine the plausibility of the direct mail method and the impact to the current election timetable. A task force will review all comments from State and County Offices and recommend a new ballot for 2001 COC elections.”</p> <p>The Task Force agrees with EDSO’s/DAM’s projected implementation by the next COC election.</p>
<p>7. Availability and use of forms on the intranet.</p>	<ol style="list-style-type: none"> 1. Migrate all available forms on BBS to FSA intranet. Convert all forms to fillable. 2. Provide options, or instructions to save filled or partially filled forms. 3. Any future training developed for use of CCE equipment should include brief coverage of forms access and the use of fillable forms. 	<p>DAM Response: “The FSA Telecommunications Division (TD) agrees with the recommendation. In conjunction with the Freedom to E-File Act and the Government paperwork Elimination Act (GPEA), work is already underway to implement this recommendation..... A tri-agency E-Commerce Team has been formed, with representatives from FSA, RD, and NRCS. All 3 agencies have agreed on a common E-Forms package, OmniForms. Where practicable, all currently available forms will be converted into fillable documents using OmniForms, and made available via a tri-agency E-Commerce Internet web site. See Notice AO-1237. An Intranet site for employees is being finalized and is expected to be deployed in February 2001. Forms on the Intranet site will be fillable and saveable. A notice on this deployment will be issued to provide the details.”</p> <p>The Task Force agrees with DAM’s response of web availability by FY 2002.</p>

Status and Timeframes for Recommended Issues in Administrative Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>8. Time and Attendance (T&A) transmissions are completed 2 ways. CO and GS employees' T&A's are transmitted differently in some States.</p>	<ol style="list-style-type: none"> 1. The agency should obtain software that allows all T&A's to be transmitted by the county Service Centers directly to NFC. The software should be windows based so that it is more user friendly. If software is available then provide instructions to T&A contact points for direct transmission. 2. In addition, agency management (Kansas City) should determine that the T&A contact points be allowed to transmit on Monday after the pay period ends, instead of having GS employees having to report time as early as Wednesday before the end of the pay period. This would provide more accuracy and eliminate corrections. 	<p>DAM Response: "1) The use of PC-TARE (non-Windows) software is a decision of NFC and HRD. Transmission software is currently available in Counties as well as States. The requirement to FAX the T&A's for non-Federal and for Federal (if allowed by the State Office) must occur from different terminals. This is in the process of being changed to allow transmission from the same terminal. 2) NFC will accept transmissions the Thursday after the end of the pay period but policy is to transmit on Monday after the end of the pay period unless it's a holiday. Having the T&A's FAXed to the State Office before the end of the pay period is a State Office decision to enable them to meet the Monday transmission from the State Office."</p> <p>The Task Force agrees with DAM's assurance that a new Windows/web based software (STARS) will be available by April 2001 and implemented soon thereafter. This will replace PC-TARE for both CO and GS employees and will be maintained by NFC.</p>

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Status and Timeframes for Recommended Issues in Administrative Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>9. Eliminate signature requirement on Disbursement Statements for direct deposit.</p>	<p>Require the ACH Verification Report to satisfy all payment approval and signature requirements by including a second signature line on the ACH Verification Report, thereby eliminating all signature requirements on the disbursement statements. This will have a significant impact on time in all County Offices for all program areas.</p>	<p>DAM Response: “FMD does not recommend moving the second signature to the ACH Verification Report because that would require that a single person be responsible for completing all the reviews of disbursements. Right now the disbursements can be reviewed and authorized by anyone in the County Office with delegated signing authority. If only one signature is used, then that 1 person is accountable for the disbursements being authorized and is certifying that they are correct and payable. Also, the signing of the form is the smallest amount of time used in the review process. The funds being expended are public funds and the County Office must show diligence in ensuring that the funds are appropriately due and payable to the parties shown on the payment documents as required by Treasury. The physical signing of the disbursement document is seconds compared to the time needed to complete the review. The signature also identifies who is accountable for authorizing the disbursement.”</p> <p>The Task Force recognizes the U.S. Treasury is the certifying Agency, not FSA. Treasury will not waive this requirement and said FSA must take responsibility. In December 2001, when FSA completes the CCE conversion, some economies can be brought to the process, such as electronic signatures. However, 2 signatures will still a requirement, with 1 being electronic.</p>

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Status and Timeframes for Recommended Issues in Administrative Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>10. Eliminate/Reduce Date Stamping of Documents.</p>	<ol style="list-style-type: none"> 1. If the producer signs and dates any document at the counter, then date stamping should not be required. 2. Price Support production evidence should not be date stamped because of other means of control, such as maintenance of production eligibility logs. 	<p>DAM Response: “FMD believes that date stamping of administrative invoices must be continued. The requirement is covered by the Prompt Payment Act where it established standards that require that “for invoices that are mailed”, the date a proper invoice is actually received by the Agency is the date the Agency annotates the invoice with the date of receipt at the time of receipt. This date will be used for prompt payment determination purposes.”</p> <p>The Task Force agrees with this requirement.</p>
<p>11. Direct Deposit. Expand allowable support documentation for SF-1199A.</p>	<p>Allow producers to provide the information in section 3 by whatever means they choose, including self-certification. The most critical piece of information in section 1 of SF-1199A is the producer bank account number, and the most critical piece of information in section 3 of SF-1199A is the bank routing number. Producers are allowed to self-certify their bank account number with no significant problems reported. By allowing producers to use whatever means is available, a producer with POA for several others could obtain the needed information by telephone, and certify that information on SF-1199A without any delay.</p>	<p>DAM Response: “While allowing the producer to provide banking information in their own format would be customer friendly, the result of that action would be to increase the occurrence of errors and workload for county office staff. Workload would increase because there would be more occurrences of information being missing, unformatted, or incomplete. SF-1199A is used Government wide for direct deposit banking information collection and informs producers of their responsibilities to keep the Government informed of bank changes. The real time savings will occur when the Government is able to collect this information electronically from the producer and then share it with all Agencies.”</p> <p>The Task Force agrees with this requirement.</p>
<p>12. Eliminate/reduce CED initialing of invoices. CED cannot delegate authority to approve an invoice, unless it is impractical for CED to approve the invoice personally.</p>	<p>The procedure in 115-FI (Rev. 4) should be revised to eliminate the dual review by CED. This is especially important in a small county Service Centers where there maybe only 2 permanent employees. CED could either approve the invoice or make approval of the payment when the invoice is paid according to the Prompt Payment Act.</p>	<p>DAM Response: “CED, as the office head, has the primary responsibility for controlling the administrative funds allocated to the County Office. CED does not need to initial invoices that are the result of obligations that were previously approved by CED; however, CED must be in the approval process before making any administrative payment.”</p> <p>The Task Force agrees with this requirement.</p>

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Status and Timeframes for Recommended Issues in Administrative Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>13. Provide a one-step means of distributing "all employee" memos and notices.</p>	<ol style="list-style-type: none"> 1. Development of a national all-employee listserve would provide optimum savings for the agency. This would be an ideal example of moving into a paperless information environment. Notice PM-2184 was a 2-page notice issued in May of 2000. Using a round figure of 10,000 employees, the need for up to 20,000 sheets of paper for a single notice could be eliminated. Notice PM-2180 was a 6-page notice with 4 additional pages of exhibits, and was issued to federal employees only. It is recommended that several distribution listings be developed for various needs - such as separate listings for GS and CO employees, and a combined listing of all employees. 2. Also, it is recognized that maintaining a listing of all e-mail addresses at the national level may not be feasible, and that development at the state level may be the only option manageable at this time. Use of the return receipt option could be used to ensure that all employees actually receive the notices. Implementation should be targeted for January of 2001, when all offices will be updated to the as/400's, all employees will have PC's, and transfer is made from the unix server to a network server. 	<p>DAM Response: "The FSA Telecommunications Division does not agree with the recommendations. While the use of listserve's to distribute selected information is both efficient and desirable, the use of a listserve to distribute mass copies of the same information is inefficient and a waste of scarce telecommunications resources.....proposes that the common web site, already established and operational, be used for distribution of all employee notices and memos. This way the notice or memo could be posted only once to the common site, and it would be available to all employees. Employees would still have the option of reading the memo online, or printing it for future reference...."</p> <p>The Task Force agrees with utilization of common web-site for this purpose. A PM notice will be forthcoming to provide guidance to the field.</p>

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Status and Timeframes for Recommended Issues in Administrative Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>14. Provide Option to Print Payments Alphabetically. County Offices have the options for filing farm records in either farm number order, or alphabetically.</p>	<ol style="list-style-type: none"> 1. Add an option to the System 36 to print batch payments alphabetically. For those County Offices that file alphabetically, this would save time in sorting and filing, as well as postage costs. 2. There may be a time factor to consider in the print process if the enhancement would require more time to sort and print in the System 36. 	<p>DAM Response: “It is not recommended to make this change at this time. In current system 36 environment, the program application initiatives the payable batches and the accounting application prints the checks in the order the payables are provided by each program application. To reorder the payable records in the current system would slow down the production of checks which is what the batch process is designed to speed up. Preliminary discussions about the Common Computing Environment payment processing concepts have included the idea of allowing the system users to have more control over the method to select and print payments, such as farm number order vs. alphabetically.”</p> <p>The Task Force agrees with DAM’s assurance that the process will be simplified during the CCE conversion by December 2001.</p>
<p>15. Technical Information for CCE equipment.</p>	<ol style="list-style-type: none"> 1. Technical information instructions should be clearly addressed to the Systems Administrator. 2. Technical information instructions should contain clear, specific instructions, including screen prints. 3. National training should be developed for CCE System Administrators and backup administrators to ensure that training is completed through the county level. 	<p>DAM Response: “The issue raised here is beyond the scope of FSA. It is a CCE matter. Our action should be to pass it on to ITWG, perhaps with a recommendation.”</p> <p>The Task Force is awaiting response from Information Technology Working Group (ITWG).</p>
<p>16. Malfunction Report: FSA-773.</p>		<p>DAM Response: “2-IRM is being revised and the need for the malfunction report will be addressed. AC’s and IRM’s who attended the automation training in Kansas City the week of October 2, were told to stop forwarding the malfunction report to Administrative Services Division in Kansas City.”</p> <p>The Task Force acknowledges the revision in 2-IRM regarding FSA-773.</p>

Status and Timeframes for Recommended Issues in FLP Areas

Issues	Recommendations	Status and Timeframes
<p>1. Debts in excess of \$1,000 and employment must be verified using FSA-440-32 and RD 1910-5 for all loans and servicing application.</p>	<p>Using FSA-440-32 and RD 1910-5 should be at the discretion of the loan approval official.</p>	<p>DAFLP Response: “This recommendation is being implemented as part of the streamlining of the FLP regulations. Under the new regulations debts and employment may be verified by billing statements, earning statements, or other form determined to be acceptable to the loan approval official.”</p> <p>The Task Force supports DAFLP’s streamlining initiatives to be implemented by December 2001.</p>
<p>2. Current procedure requires that a current chattel appraisal be required before the approval of all subordinations.</p>	<p>Eliminate the requirement for a current chattel appraisal in cases where subordinations are made for annual operating purposes.</p>	<p>DAFLP Response: “Elimination of this requirement is under consideration as part of the ongoing streamlining process; however, the Agency must ensure that the new loan repayment terms do exceed the remaining life of the security and appraisals could sometimes still be required.”</p> <p>The Task Force supports DAFLP’s streamlining initiatives to be implemented by December 2001.</p>

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Status and Timeframes for Recommended Issues in FLP Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>3. FLP loan checks are not available via EFT. County Offices cannot utilize CCC accounts during an interim period awaiting funding or in account servicing.</p>	<p>Allow utilization of CCC accounts for FLP loan making and servicing.</p> <p>(One check and EFT writing system)</p>	<p>DAFLP Response: “The process of issuing loan checks is currently under review. In the meantime, FLP loan checks are available by EFT. Notice FLP-36, dated March 1, 1999, addressed the EFT process for FLP. Instructions on how to use EFT feature for FLP are available on the BBS in the AGCREDIT Library under the file name handbook.wpd. Under the EFT feature, loan funds are in the designated recipient’s account within 2 workdays of the request. The FLP EFT process would in most cases eliminate the need for SBA, since the funds for subsequent advances are available within 2 workdays. In addition, interest accrual on advances received by EFT do not begin to accrue interest until the funds have been deposited into the borrower’s account.”</p> <p>“Current procedures are also in place to get funds to the County Office on the date of request for emergency needs. Contrary to the background information, interest accrual begins on the date of disbursement or loan closing whichever is the most advantageous to the borrower.”</p> <p>“Using CCC would result in the commingling of appropriated funds with CCC funds and present many fund control and accounting issues that could quickly result in the loss of control over the FLP appropriated funds.”</p> <p>The Task Force was ensured that DAFLP will work together with FMD for the possibility of using CCC accounts for this purpose.</p>

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Status and Timeframes for Recommended Issues in FLP Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>4. Loan making and servicing decisions require the FLP personnel review HELC and WC compliance before approval of the application.</p>	<p>A list of ineligible land and producers should be maintained at the County Office, which could be referred to before making eligibility decisions. The completion of page 2 of FmHA 1940-22 could be eliminated.</p>	<p>DAFLP Response: “The ineligible land and producers list is a good idea. However, we also have to look at what the applicant is proposing to do with the loan funds in the context of HEL and WC. In addition, CEPD will be issuing a notice soon (tentative date is mid-February) stating that a wetland determination will not be required for every loan and listing when a determination is necessary. CEPD is also reviewing Exhibit M to Instruction 1940-G. In addition, CEPD is drafting a new regulation and handbook to replace Instruction 1940-G.”</p>
<p>5. Real estate appraisals are required to be completed for partial releases when the appraisal is more than 1-year old or when the transaction involves more than \$10,000.</p>	<p>Make real estate appraisals optional for partial releases when the property is sold at a well-advertised public auction and the sale proceeds are applied on liens in order of priority including making an extra payment to FSA when real estate is taken as additional security for an operating loan.</p>	<p>DAFLP Response: “This issue has been fully considered as part of the ongoing streamlining process and it was determined that the \$10,000 limit should be raised. The figure under consideration is \$20,000.”</p> <p>The Task Force supports DAFLP’s streamlining initiatives to be implemented by December 2001.</p>
<p>6. Form 440-2 must be completed and signed for loan program eligibility and borrower training requirements.</p>	<p>Eliminate the requirement for Form 440-2 to be signed for loan eligibility and borrower training decisions.</p>	<p>DAFLP Response: “Form 440-2 sets forth the reasons an applicant was determined ineligible and, in case of a determination of eligible, certifies that the applicant meets the eligibility requirements. Certainly, Form 440-2 must be changed to show that the loan approval official is the one making the eligibility determination, not COC. However, Form 440-2 is the certifying document for eligibility and, in addition, provides documentation of the borrower training requirement. The running record is not the certifying document and the information contained in it varies greatly.”</p> <p>The Task Force was ensured that DAFLP will consider combining the Form 440-2 with another document by December 2001.</p>

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Status and Timeframes for Recommended Issues in FLP Areas (Continued)

Issues	Recommendations	Status and Timeframes
7. Two versions of 2-FLP.	Only issue 1 version of 2-FLP to FSA offices and lenders using the guarantee program.	<p>DAFLP Response: “Based on lender feedback and recommendations from several Field Office personnel, DAFLP will issue 1 version of the Guaranteed Loan Making and Servicing handbook will be available by Spring 2001.”</p> <p>The Task Force acknowledges that a single version of the handbook will be available Spring 2001.</p>
8. Financial analysis of guaranteed loans by SEL and CLP lenders.	Reduce the required analysis for SEL and CLP lenders to obtaining a current financial statement for customers who have only a real estate loan, and a financial statement and security inspection for term OL’s. Reduce the information reported to FSA by the above to the semi-annual report only if the customer is current.	<p>DAFLP Response: “We are currently working on revisions to 2-FLP, which should clear up any confusion surrounding the analysis requirements for SEL and CLP lenders. However, FSA guaranteed loans are supposed to be made to those who could not obtain credit without the guarantee. This requires a closer monitoring of the credit for SEL and CLP lenders to ensure that when problems occur they are immediately addressed. This type of credit monitoring helps to ensure that the lender is completely covered by the guarantee in the event of a loss. CLP and SEL lenders are typically less experienced with the guaranteed loan program. Therefore, it is critical that these lenders closely and carefully monitor the credit to protect the guarantee. With regard to reporting, 2-FLP was not written with reporting in mind; it was written for Field Office implementation of the credit program. However, there is an annual lender review checklist that is used to indicate whether or not any required analysis have been completed on the files reviewed.”</p> <p>The Task Force supports DAFLP’s streamlining initiatives to be implemented by December 2001.</p>

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Status and Timeframes for Recommended Issues in FLP Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>9. The financial statements on FSA 410-1 are a duplication of work as a current financial statement is also included on the Farm and Home Plan for all loan and servicing request.</p>	<p>Eliminate the financial statement on the application.</p>	<p>DAFLP Response: “The financial statement is needed on FSA 410-1 to assess the applicant’s financial picture before the Farm and Home Plan is developed. This statement helps the FLM or FLO determine whether the borrower possibly can get credit elsewhere or should apply for a guaranteed loan. An automated system is planned to eliminate duplicate data entry. The FLP Redesign System will have single point of data entry and the sharing data from both internal ad external sources. However, your suggestion appears to have merit. The Streamlining Task Force is reviewing all forms for duplication.”</p> <p>The Task Force supports DAFLP’s streamlining initiatives to be implemented by December 2001.</p>
<p>10. During the loan application process, applicants are sent letters addressing borrower training requirements and outlining conflicts of interest.</p>	<p>Eliminate both letters and include the language currently in the borrower training letter and the conflicts of interest letter on FSA 410-1.</p>	<p>DAFLP Response: “Question 21 on FSA 410-1 (addressed in Special PN dated 03-31-97) replaces FmHA Guide Letter 1900-D-1 (Notice of Relationship or Association with a Recipient of FSA Assistance). The borrower training (BT) requirements letter is optional for Field Offices; however, we agree that the BT letter information could be incorporated into FSA 410-1. We will address this as part of the FLP streamlining process currently underway.”</p> <p>The Task Force supports DAFLP’s streamlining initiatives to be implemented by December 2001.</p>
<p>11. Each FLP client is required to be classified every year.</p>	<p>Classifications should only be required when new financial information is received from FLP clients.</p>	<p>DAFLP Response: “Loan classification is a statutory requirement. However, there is some flexibility as to when and how a loan is classified. In the streamlining of the FLP we are making changes to when loans are classified. Under the proposed handbook, a loan will be classified when it is first made and then reclassified when a new loan is made and when a servicing action or year end analysis occurs.”</p> <p>The Task Force supports DAFLP’s streamlining initiatives to be implemented by December 2001.</p>

Status and Timeframes for Recommended Issues in FLP Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>12. Loan assessments are required for all FLP clients. The assessment is to be updated every year.</p>	<p>Loan assessments should only be required when a new application is received. Assessments should include all the information presently contained in the loan-servicing narrative, summary and any required documentation for credit quality.</p>	<p>DAFLP Response: “The statute requires that a loan assessment be completed on each borrower when a loan is first made and that the assessment be updated twice per year. The statute also requires that the areas currently covered by regulation be addressed in each assessment.”</p> <p>“In the streamlining of the FLP regulations we are addressing what is required for an assessment to be updated twice per year. The proposed handbook requires that a complete assessment be completed once for each borrower. The assessment would only be updated as changes occur or progress is made which warrant the assessment being updated. These updates could be completed during the YEA or simply by calling the borrower and asking what progress has been made in achieving the goals outlined in the assessment. The assessment could also be updated when subsequent loans or servicing actions occur. We cannot change the statutory requirements, but we are attempting to make the requirements less burdensome and time consuming to the field staff and our borrowers.”</p> <p>The Task Force supports DAFLP’s streamlining initiatives to be implemented by December 2001.</p>
<p>13. All loan classifications must be reviewed by October 1st each year by COC’s.</p>	<p>Remove the requirement for loan classifications to be reviewed by COC’s.</p>	<p>DAFLP Response: “This certification is required by statute (ConAct Section 333(2)) and cannot be changed without Congressional action.”</p> <p>The Task Force recognizes statutory requirements.</p>

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Status and Timeframes for Recommended Issues in FLP Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>14. National Notice FLP-138 requires that a monthly report listing all offset clients be submitted to CED of the applicable County Office with a copy to the State Office.</p>	<p>Eliminate the monthly reporting requirements required by National Notice FLP-138. Written notification should only be required when the offset is in an office outside of the client’s FLP servicing office and then only to establish and remove the offset.</p>	<p>DAFLP Response: “Notice FLP-138 was issued as a result of an OIG audit and is being included in RD Instruction 1951-C. At this time, the National Office believes that the monthly reporting requirement is still necessary to insure all funds eligible for offset are collected and is worth the limited amount of time required. To date, almost \$80 million has been collected since August of 1997 and we believe this routine has assisted the Agency.”</p> <p>The Task Force was ensured that DAFLP reconsider this within 30 calendar days.</p>
<p>15. FSA Instructions presently require the use of 1951-S and DALRS to change the annual due date loans.</p>	<p>Provide the capability to allow the changing of the due date of the loan to match the marketing cycle of the client without restructuring.</p>	<p>DAFLP Response: “We believe that adequate flexibility currently exists in the direct loan servicing regulations to provide a means of facilitating changes such as those described in this issue. Further, it must be noted that a change of this type could require extensive changes in Finance Office automation if it is proposed to make this change without a new loan number.”</p> <p>“This is fully covered by FmHA Instruction 1951-S, Section 1951.908 as it would seem that a borrower who cannot make the payment on schedule would meet the definition of a distressed borrower under FmHA Instruction 1951-S, Section 1951.906 (n). The instructions and the DALRS program allow maximum flexibility with regard to terms and interest rates in cases a debt forgiveness is not authorized or required.”</p> <p>The Task Force was ensured that upon review of OGC’s opinion, DAFLP will be able to accurately give a response to this request.</p>

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Status and Timeframes for Recommended Issues in FLP Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>16. The 1951-C-1 and 1951-C-2 offset letters must be sent independently of the 1951-S servicing application packet.</p>	<p>Include the administrative offset language in 1951-S Exhibit A, Attachment 1. If this cannot be accomplished, then allow the offset letter to be mailed in the same envelope as the servicing packet.</p>	<p>DAFLP Response: “It is the advise of OGC that 2 separate certified mail packages be used for primary loan servicing and offset material. This office can request that the matter be given additional consideration.”</p> <p>The Task Force was ensured that DAFLP will review the OGC opinion.</p>
<p>17. Loan Officers may only approve real estate subordination where the subordination plus outstanding FSA debt does not exceed the Loan Officer’s approval authority. This requires that a real estate subordination request be reviewed and approved with a higher loan approval authority.</p>	<p>Allow a Loan Officer to approve real estate subordination’s within their loan approval authority without regard to existing loan balances outstanding.</p>	<p>DAFLP Response: “This issue has been fully considered as part of the ongoing streamlining process and it was determined that the approval authorities will remain essentially unchanged. Our data shows that the loss rate on OL loans is 5.4 percent, whereas the loss rate on FO loans is 1.8 percent. We believe this data illustrates the greater value of real estate security as opposed to chattel security, and we do not wish to place the real property liens at risk. Further, the approval authorities for chattel subordinations are established partially to expedite annual operating subordinations, and real estate should not normally be used for this purpose.”</p> <p>The Task Force supports DAFLP’s streamlining initiatives to be implemented by December 2001.</p>

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Status and Timeframes for Recommended Issues in FLP Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>18. Borrower cross reference and past debt screen printout are required for subsequent loans.</p>	<p>Eliminate the requirements for borrower cross reference and past debts screen printouts for subsequent loans.</p>	<p>DAFLP Response: “Reviewing the Current/Past Debt Inquiry and Borrower Cross-Reference Systems is necessary for each application because the timeframe between loans may be substantial and the delinquency status and payment history (creditworthiness) may change. FSA cannot make loans to borrowers who are delinquent on their loans and creditworthiness is taken into consideration when making a decision on the application.”</p> <p>The Task Force was ensured that DAFLP will take this under further consideration.</p>
<p>19. Completion of FmHA 1962-01 is burdensome and is a duplication of information contained in the Farm and Home Plan.</p>	<p>Eliminate FmHA 1962-1 and replace it with a log to document checks that are released. If this is not a possibility, then FmHA 1962-1 should be automated so that the planned income from the farm plan is automatically transferred to the planned section of FmHA 1962-1.</p>	<p>DAFLP Response: “While it is agreed that some limited duplication exists between the Farm and Home Plan and FmHA 1962-1, the Farm and Home Plan does not contain sufficient detail on the disposition of chattel proceeds to constitute an agreement on that disposition. FmHA 1962-1 cannot be replaced with a log as no agreement between the borrower and FSA on the reporting and use of proceeds is possible without the form. We also believe that automation attaching the form to the Farm and Home Plan would require inputting the same information as is currently required for completion of FmHA 1962-1.”</p> <p>The Task Force recognizes that while DAFLP agrees there is some duplication, FmHA 1962-1 dates back to the Coleman case which was a major legal decision within the Agency. FmHA 1962-1 has a history of being considered for elimination in past streamlining efforts. Therefore, DAFLP will explore the transfer of data from the Farm and Home Plan instead of a separate log.</p>

Status and Timeframes for Recommended Issues in Farm Program Areas

Issues	Recommendations	Status and Timeframes
<p>1. CCC-709 is a complicated, time consuming, extra “hoop” that a producer must jump through to claim LDP because the commodity was delivered to the warehouse at harvest and beneficial interest was lost.</p>	<p>Eliminate CCC-709 and make eligibility for such to be contingent on FSA-578 and the loss of beneficial interest, to be determined by the producer’s settlement sheets.</p>	<p>DAFP Response: “LDP’s are payments made to producers who are otherwise eligible to receive a non-recourse marketing assistance loan and are payments made in lieu of the marketing assistance loan. Eliminating CCC-709 and providing LDP eligibility contingent on FSA-578 would make all producers who certify their acreage ineligible for a nonrecourse marketing assistance loan and only eligible for LDP. This could prohibit the producer’s flexibility in making marketing decisions. CCC-709 has been revised and will be available beginning with the 2001 crop year. The revision simplifies the application process and provides clarification to many complex areas that have been identified with completing CCC-709.”</p> <p>The Task Force recognizes the statutory regulations cited by DAFP concerning beneficial interest. Change in position/policy being debated to further enhance this process.</p>

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Status and Timeframes for Recommended Issues in Farm Program Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>2. Crop acreage compliance spot checks need to be reduced.</p>	<p>Reduce the number of spot checks to the lowest level that would still maintain program integrity and reduce workload significantly. This could be accomplished by statistical sampling, which would also meet OIG requirements. We suggest the sampling be used for COC and employee acreage reports rather than the 100 percent we now check. In other program areas we do not check 100 percent of COC and employees applications, reports, etc. The population for the statistical sample could be on a county, district, specific area, or State basis.</p>	<p>DAFP Response: “We agree that a random spot check of 10 percent per county may be excessive and does not meet any test for determining statistical significance. States should be reminded, however, that spot checks used for OIG purposes and FSA purposes are different. OIG selects samples to determine an error rate and FSA conducts spot checks to deter incorrect reporting of acres. With the goal of conducting spot checks to encourage correct reporting of acreage in mind, PECD supports a national selection of FSA-578’s to correct reporting of acreage in mind, PECD supports a national selection of FSA-578’s to be reviewed. The difficulty has been to determine when, where, what, and who should be targeted for review. Several things are happening that will aid us in making these decisions. First, beginning in crop year 2000, we began bringing up producer acreage reports on a daily basis to a national database in Kansas City. This provides us with a timely national total number of acreage reports taken from which to draw a sample. Second, we are closely with FSA’s remote sensing section that can identify potential problem areas to target. Third, we are piloting the Land Use BPR project that will allow a national reporting database along with physical location of the crop. Once this is piloted, the land use team, composed of State and County Office field personnel, will be focusing on conducting compliance using the new technology, keeping in mind that a national, State, or regional selection may better suit Service Center needs.”</p> <p>The Task Force is concerned with establishing an effective compliance plan as a high priority item to reduce workload in County Offices while maintaining the integrity of our programs. The Task Force strongly recommends that OIG and DAFP work together on this process. Change in position/policy being debated to further enhance this process.</p>

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Status and Timeframes for Recommended Issues in Farm Program Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>3. State Office-required spot checks.</p>	<p>Change the requirement from a “county basis” to an “office basis” for all required State Office spot checks.</p>	<p>DAFP Response: “DAFP will change the requirements of DAFP programs to apply to each Service Center instead of each county, unless there is a reason that the spot check needs to be performed on a county basis.”</p> <p>The Task Force concurs with the DAFP response.</p> <p>The Task Force recognizes the recent implementation of this requirement for Livestock Assistance Program, Crop Disaster Program, and ongoing programs. The task force supports DAFP in expanding this policy in all compliance areas.</p>
<p>4. Eliminate annual certification for CRP acreage.</p>	<p>Eliminate annual certification for CRP.</p>	<p>DAFP Response: “Producers have not had to visit the County Office and annually certify CRP contract compliance since 1997 when FSA substantially broadened the use of CRP-817U. This postcard serves as the producer, CRP contract, HELC, and WC compliance certification. The estimated public reporting burden is 10 minutes per response. We believe this very minimal amount of time is a time and cost effective mechanism to ensure CRP contract compliance. Notwithstanding the foregoing, it is also a failsafe for County Offices that have been reported as not performing annual spot checks.”</p> <p>The Task Force recognizes the use of the postcard to serve as an annual self-certification. The Task Force concurs with the DAFP response.</p>

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Status and Timeframes for Recommended Issues in Farm Program Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>5. Need for completing the EQIP payment process and final performance process in the same process.</p>	<p>The EQIP final performance load screen should be revised to automatically access the administrative payment process, process the payment and automatically load the payment data required on the final performance screen. Every aspect would be covered in one process and eliminate the need to reconcile monthly with this problem.</p>	<p>DAFP Response: “Automating both CRES and CCC Conservation System (EQIP) payments has been planned for some time. However, other software modifications which directly support policy have taken priority. It is anticipated that in the near future payments will be automated. It is not likely, however, that automated payments will eliminate the need for monthly, quarterly, and yearly reconciliation’s, but it is expected that they will reduce the number of reconciliation problems.”</p> <p>The Task Force concurs with the DAFP response.</p>
<p>6. Environmental Quality Incentives Program (EQIP), CCC-1245’s for non-cost-shared components must be manually typed, by County Office staff annually.</p>	<p>Eliminate the need for manual CCC-1245’s on non-cost shared components. If they are to be required, give County Offices the ability to use the software that is in the County Office for this program. The management items are listed on CCC-1200’s by NRCS for the sole purpose of meeting the 5-year contract requirements.</p>	<p>DAFP Response: “Preparations are being made to modify software to process CCC-1245’s for non-cost shared technical practices. It is anticipated that this capability will be available in the field within the next several months. The policy requiring CCC-1245’s to be processed for both cost-shared and non-cost shared technical practices will remain in effect.”</p> <p>The Task Force concurs with the DAFP response.</p>
<p>7. Eliminate FSA-695.</p>	<p>Eliminate the form. The manual data it requires is already in the CRP payment folder.</p>	<p>DAFP Response: “2-CRP, subparagraph 307 A provides that beginning with signup 13, completing FSA-965 is optional. Contracts for which FSA-695 was initiated must continue to use the form until completion. Because contracts requiring use of FSA-695 is small and will be eliminated in the near future.”</p> <p>The Task Force concurs with the DAFP response.</p>

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Status and Timeframes for Recommended Issues in Farm Program Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>8. Acreage determination and spot check requirements on late-file acreage reports.</p>	<p>Reduce the 100 percent verification on late-filed acreage reports to the lowest level that would still maintain program integrity. Late-filed acreage reports should require a statistical sampling for acreage determination and farm visit purposes.</p>	<p>DAFP Response: “Reporting dates are established by STC and are typically the latest date a producer can report most crops in the county before harvest conditions are known. We must assume that any reports taken after this date are reported for program benefits after growing conditions and program benefits are known. This creates a greater risk of producer error or incentive to misreport to maximize program payments. For this reason, FSA requires all late-filed reports to be verified at the producer’s expense. We will take this recommendation under review. However, if States are experiencing excessive time and expense associated with late-filed acreage reports, we recommend increased emphasis on getting producers to timely file their acreage reports.”</p> <p>Change in position/policy being debated to further enhance this process.</p>
<p>9. County Offices need the ability to enter at least 2 different cost share rates for each technical practices.</p>	<p>There should be an option to load a cost share rates for each component, for each year, for either GPA or state wide concern. Or simply 2 cost share rate spaces for each technical practice. This would stream line the process, have more accuracy and save time.</p>	<p>DAFP Response: “We are aware of this problem and plan to modify the software to allow entry of: (1) cost share/incentive levels for each technical practice by eligible fund code. (2) Two cost share/incentive levels per fund code, one level for instances where the practice is a management practice, and the other level for instances where it is a structural or vegetative practice.”</p> <p>“This modification will accommodate situations where cost-share and incentive levels for any practice are different between priority areas and statewide resource concerns. It will also accommodate situations where levels for the same areas differ from FY to FY, and instances where a practice is used for different purposes.”</p> <p>The Task Force concurs with the DAFP response to modify the software; however, it is recommending to DAFP to place this as a high priority item.</p>

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Status and Timeframes for Recommended Issues in Farm Program Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>10. Combine FSA-409 and CCC-677-1 when measurement service is requested for price support.</p>	<p>Develop a new form with a carbon snap-out combining FSA-409 and CCC-677-1. A top white half sheet would be the producer’s receipt. A pink half sheet would be the office copy that accompanies the producer’s check. The full white sheet would be the office copy and the full yellow sheet, the producer’s copy when the measurement is completed. The current FSA-409 and CCC-677-1 would remain in effect because they would be used for other purposes.</p>	<p>DAFP Response: “We will review taking the information from FSA-409 and incorporating into CCC-677-1. We agree that the current forms need to remain in effect as they are used for other purposes. We are currently working on the information collection package for commodity loans and may include the new form in the current submission.”</p> <p>DAM Response: “The Price Support Staff and the IT Staff will review the recommendation to combine both forms. Also, please note that neither FSA-409 or CCC-677-1 is automated.”</p> <p>The Task Force concurs with the DAFP response.</p>
<p>11. We need to develop a 1099 that is easier to understand.</p>	<p>KCFO either:</p> <ol style="list-style-type: none"> 1. develop a 1099 listing each payment, similar to the listing sent to County Offices <li style="text-align: center;">or 2. send out a separate sheet with the 1099 that shows a breakdown of payments by date, program and type. 	<p>DAM Response: “IRS only requires that the Agency report the total amount of payments made to an individual during the tax year. Currently, CCC-1099-G provides a breakdown of payments by program as an additional aid to help producers identify the source of reportable information. The Transaction Statement producers receive with each payment states “Retain for Tax Purposes” on the face of the form providing a source for detail payment information. However, to further assist producers, alternatives for providing electronic access to the payment detail are being considered.”</p> <p>The Task Force would like to see DAM pursue the possibilities of providing the producers with the same statement that is sent to the County Office.</p>

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Status and Timeframes for Recommended Issues in Farm Program Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>12. We are required to send actively engaged/person determination notification letters within 60 calendar days after the filing of CCC-502 or CCC-502U.</p>	<ol style="list-style-type: none"> 1. For producers filing an updated CCC-502, that we only send notification letters to producers whose status as actively engaged or their person determination changes. An initial letter could be sent for all producers when they file a new CCC-502. Over 90 percent of CCC-502's filed are CCC-502U. This could save a lot of time and would be more producer friendly. 2. That software be developed to automatically generate letters when CCC-502 is filed. Would need to be able to enter in filing and approval dates and actively engaged determination qualification, i.e. provide land, capital, equipment, labor, management and number of persons for person determination status. 	<p>DAFP Response: "Projects are currently underway to migrate and re-engineer FSA business applications to run in the new Common Computing Environment (CCE). As part of this process, many of FSA's business processes will be analyzed and re-engineered to take advantage of the new technology. Automation supporting CCC-502 is 1 of the processes that will be analyzed to identify methods to improve both the performance and efficiency of the process. The automatic generation of letters will be included as part of this analysis. The migration of applications is scheduled to occur incrementally over the next 3 to 4 years."</p> <p>The Task Force concurs with the DAFP response.</p>
<p>13. COC annual review to determine that land is properly constituted.</p>	<p>Improve the query so the list is not so large.</p>	<p>DAFP Response: "PECD is looking at Query FARM0013 with plans to revise the query to make it more efficient."</p> <p>The Task Force concurs with the DAFP response.</p>

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Status and Timeframes for Recommended Issues in Farm Program Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>14. CCC-237.</p>	<p>Eliminate CCC-237. If for some reason the form cannot be eliminated, at least have the form modified to allow for witnessing by a notary, or at least by a temporary employee. This would be at least more user friendly. Develop software for an automated database similar to the Power of Attorney files.</p>	<p>DAFP Response: "FSA-237 was developed in part to reduce the producer's burden and travel time associated with providing original signatures within 7 calendar days of submitting FAXed documents. In addition, FSA-237 provides a source to authenticate signatures and transactions conducted through telefacsimile machines in the event of errors or fraud that require legal remedies."</p> <p>"As explained in the amendment transmittal for 1-CM, Amendment 77, FSA-237 cannot be modified at this time. The national office anticipates modifying FSA-237 when the Information Collection Package is submitted to OMB for approval. Development of an automated database is being tested at this time and will be released in the near future."</p> <p>The Task Force recognizes that DAFP is waiting on clearance from OMB to allow for witnessing by a notary. The Task Force is waiting on a response regarding witnessing of CCC-237 by all FSA employees, including temporaries.</p>

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Status and Timeframes for Recommended Issues in Farm Program Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>15. All misaction/misinformation cases must be approved by DAFP. Procedure allows STC authority to approve misaction/misinformation cases in all program, except Production Flexibility Programs, up to \$3,500.</p>	<p>Our recommendation is for STC's to be given the same authority to approve misaction/misinformation in all programs up to \$3,500.</p>	<p>DAFP Response: "...most of the cases relating to PFC's which are submitted to DAFP for relief under misaction/misinformation do not meet the requirements for relief under misaction/misinformation provisions as set forth at 7 CFR 718.8. The majority of cases are really requests to waive deadlines and other program requirements based on the circumstances of a particular case. As indicated in the regulations set forth at 7 CFR 1412.102(e), only the Deputy Administrator has authority to waive deadlines or other requirements. However, we are reviewing whether to grant authority to STC's or SED's to accept late-filed signatures on PFC's and supporting documents as long as payments can still be issued by the statutory deadlines."</p> <p>The Task Force supports DAFP recommendation for additional training on misaction/misinformation issues, including a checklist for County Offices to use in making this determination. The Task Force is waiting on a response on giving the STC authorization to approve misaction/misinformation up to \$5,000 (is this needed or do we have a response? Or replace with the following). Change in position/policy being debated to further enhance this process.</p>

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Status and Timeframes for Recommended Issues in Farm Program Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>16. Modification of software for claims/receivable flags.</p>	<p>We need to revise the software to automatically remove the flag from name and address, when a claim/receivable is paid in full.</p>	<p>DAM Response: “The ability to update these flags to indicate that there is no receivable or claim balance outstanding is limited by access to all debt data using the System 36. Receivables may be established through the Price Support System. The Common Receivable System (CRS) does not have access to this data and a flag could be reset in error if controlled only through CRS. The problem of knowing the correct claim flag setting is compounded by the automated systems inability to know the status of debt in other offices (field or Kansas City)..... When this process is run, office have been directed to manually reset flags for Price Support receivables, multi-county producer debt, RD debts, FLP debts, and FP debts in Kansas City. This process could be added to the Data Control System main menu for users to initiate when it is most beneficial and information and time is available for manual reset of flags.....As the debt application is developed using the CCE capabilities, offset processing will be given much consideration and will be streamlined to reduce the time required to manage debt and offsets.”</p> <p>The Task Force concurs with the DAM response.</p>
<p>17. Allow multiple delivery point on one CCC-681-1.</p>	<p>Allow entry of multiple delivery points on CCC-681-1.</p>	<p>DAM Response: “Price Support has determined that under the current process for CCC-681-1, we cannot have multiple buyers. However, the entire CCC-681-1 policy is currently under review.”</p> <p>The Task Force concurs with the DAM response.</p>

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Status and Timeframes for Recommended Issues in Farm Program Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>18. Eligibility flag updates.</p>	<p>Allow the control county to update eligibility flags for all other counties in which the producer has farming interests. This change would simplify the payment process for producers in multiple counties/states, but would also require greater responsibilities on the Control County. The control county would have to make sure all other counties were keeping them current on changes in the respective county(ies) in which the producer has farming interests.</p>	<p>DAFP Response: “When SMIMS is available we will be able to implement this process. There will not be uploads and downloads of this data between counties. The project will be full operational in 2 years.”</p> <p>The Task Force strongly recommends this be implemented at the earliest timeframe possible rather than the projected 2 years.</p>
<p>19. Market Gain Transaction Summary Report and CCC-700 Signature Requirements.</p>	<p>Combine the Market Gain Transaction Summary Report information into CCC-700, and remove the signature requirements for CCC-700.</p>	<p>DAFP Response: “Current policy requires that the County Office approve both the LDP request by signing CCC-666 and the payment by signing CCC-700. As for combining CCC-700 and the Market Gain Transaction Summary Report, that had been considered before but found to be unsatisfactory because TSR was specifically designed to be a “denied market gain” diagnostic tool, by being printed before the user actually completes the LDP process and prints the completed CCC-700.”</p> <p>The Task Force concurs with the DAFP response.</p>

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Status and Timeframes for Recommended Issues in Farm Program Areas (Continued)

Issues	Recommendations	Status and Timeframes
<p>20. Procedure for need of taking updated CCC-502's needs to be clarified.</p>	<ol style="list-style-type: none"> 1. We recommend that 1-PL, paragraph 50 be amended to eliminate the condition that a change in size of the farming operations requires a new CCC-502 or CCC-502U. 2. The procedure needs to be amended to clarify what constitutes a significant enough change to require a new CCC-502 or CCC-502U. 	<p>DAFP Response: "1) It is the producer's responsibility to report any change in a farming operation which would affect a determination. The current procedure provides examples of changes which may affect a determination. It does not require a new or updated CCC-502 if the change does not affect a determination. We agree that the addition or deletion of farm from a farming operation would usually not affect a determination. However, as indicated in the procedure in effect before the current procedure, the addition or deletion of land from a producer's farming operation should be reported to the County Office for other purposes. Specifically, AD-1026A attached to AD-1026 must accurately reflect the producers farming operation. 2) We will attempt to further clarify procedure and stress that once payment eligibility and payment limitation determinations have been made for a farming operation, the only changes that need to be reported by the producer are changes that would result in a more restrictive determination.....If the producer is in doubt as to whether a change adversely impacts a determination, the producer should report the change in order that the proper determinations can be made."</p> <p>The Task Force concurs with the DAFP response.</p>
<p>21. Eliminate the issuance of separate checks to lenders who have an assignment on file for producers with multiple farms.</p>	<p>Combine assignment checks from multiple farms into 1 check to be sent to the assignee.</p>	<p>DAM Response: "FMD is not recommending to implement this recommendation in the System 36 disbursement process a this time. FMD is exploring the potential of combining checks for multiple farms and a single payee. A correction process must be created before this recommendation can be implemented. This recommendation will also be considered for implementation as re-engineered for CCE."</p> <p>The Task Force concurs with the DAM response.</p>

Task Force Members

Member's Name	Title	State
Robert Soukup	SED	Iowa
Jack Sainsbury	SED	Oregon
Don Davis	SED	Virginia
Karen Denio	SED	Nevada
Doug Caruso	SED	Wisconsin
Richard Hightower	DD	Oklahoma
Andrew Flores	DD	New Mexico
David Nichols	DD	Georgia
Al Pry	DD	Washington
Judy Noyalas	DD	Pennsylvania
Brenda Hill	DD	Illinois
Vesta Hobbs	CED	Kansas
Robin Richardson	CED	Mississippi
Dan Whetham	CED	South Dakota
Paul Singleton	FLM	Indiana
Craig Simpson	FLM	Texas
Sherrill Harris	FLO	New Hampshire
JoDee Bryant	PMA	South Dakota
Sondra Mayberry	Chief PT	Louisiana
Betty Hirshkorn	Chief PT	North Dakota
Lisa Smith	PT	New York
Sheri Sharp	PT	Missouri
Barbara Umberhind	PT	Maine
Phyllis Boyle	PT	California
TBA		Deputy Administrator for Management
Diane Sharp	Director, PECD	Deputy Administrator for Farm Programs
Bill Cobb	Special Assistant	Deputy Administrator for Farm Loan Programs
