UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency Washington, DC 20250

For: State and County Offices

Payment Authority for Biomass Crop Assistance Program (BCAP)

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

On April 23 all BCAP CHST matching payments were suspended and the software for processing these payments was disabled. A determination has been made that matching payments may be authorized for certain BCAP AD-245's including some where eligible materials were delivered on or before April 30, based on an extension granted according to Notice BCAP-6.

B Purpose

This notice provides policy and procedure for processing payments for BCAP AD-245's based on the:

- expiration date of AD-245
- underlying documents
- delivery date of eligible material included in the agreement.

| Disposal Date | Distribution |
|---------------|--|
| April 1, 2011 | State Offices; State Offices relay to County Offices |

1 **Overview (Continued)**

C Policy for Payable AD-245's

Payments are authorized only as provided according to the following provided all other requirements are met.

| IF | AND | THEN |
|---|---------------------------------------|----------------|
| AD-245 expiration date is | deliveries are made on or before | payment is |
| March 31 or before | the expiration date of March 31 | authorized. |
| both of the following apply: | deliveries are made on or before | payment is |
| | the expiration date on the | authorized. |
| • AD-245 has no expiration | contract that expires March 31 | |
| date | | |
| | | |
| • eligible material owner has a | | |
| contract with a biomass | | |
| conversion facility (BCF) | | |
| that expires March 31 | | |
| both of the following apply: | delivery for final performance | payment is |
| | of AD-245 was on or before | authorized. |
| • AD-245 has no expiration | March 31 | |
| date | | |
| | | |
| • there is no expiration date on | | |
| the eligible material owner's contract with a BCF | | |
| all of the following apply: | deliveries are made on or before | payment is |
| an of the following apply. | the expiration date of April 30 | authorized. |
| • AD-245 has an expiration | the expiration date of April 50 | autionzed. |
| date after March 31 | | |
| date after March 51 | | |
| • request for extension was | | |
| filed and approved before | | |
| April 1 | | |
| <u>F</u> | | |
| • at least 1 delivery was made | | |
| before April 1 | | |
| other situations | | payment is not |
| | | authorized. |
| | | |
| | | Note: Further |
| | | instruction |
| | | will follow. |

2 Processing BCAP Payments

A Processing Payments

County Offices may resume issuing partial and final payments for approved AD-245's according to subparagraph 1 C.

Eligible material owners may have been provided settlement sheets and other documentation that combines deliveries that may be authorized for payment with those that are not. County Offices shall only issue payments for the portion of those deliveries that meet the conditions described in subparagraph 1 C. Partial or final payments that have been approved for a combination of authorized and unauthorized deliveries must be revised to match only the authorized deliveries.

B NPS Pending Records

All BCAP payments in NPS on April 23 were suspended as of that date. At that time, all pending BCAP transactions were made unavailable for signing or certifying in NPS. These transactions have been restored to NPS and County Offices may resume signing and certifying in NPS those BCAP payments that meet the conditions specified in subparagraph 1 C.

County Offices shall designate in NPS as "Hold for Program Cancel", all BCAP payments that are not authorized under subparagraph 1 C.

3 Action

A State Office Action

State Offices shall ensure that County Offices follow the provisions of this notice.

B County Office Action

County Offices shall follow the provisions of this notice.