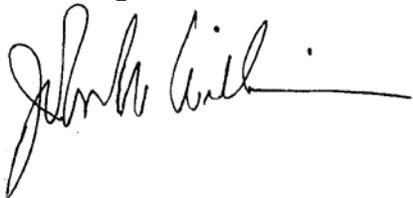


For: FSA Offices

FY 2007 Funding for Operating Under a Continuing Resolution (CR)

Approved by: Deputy Administrator, Management



1 Overview

A Background

On September 29, 2006, the President signed Pub. L. 109-289, the FY 2007 Department of Defense Appropriations Act, which includes a CR to fund the operations of agencies such as USDA that lack regular appropriations at the beginning of FY 2007. The CR is effective October 1, 2006, through November 17, 2006.

The House of Representatives passed its version of a regular Agriculture appropriation on May 23, 2006. The Senate Appropriations Committee reported its bill on June 22, 2006, but the bill has **not** been brought to the Senate floor. Congress will address further funding when it reconvenes for a lame duck session in November.

B Purpose

This notice provides general guidance for FSA operations during the CR period.

Note: A future notice will provide initial allotments for non-Federal County Office administrative expenses through November 17, 2006, along with specific guidance on monitoring travel, equipment, and overtime expenses until FY allotments are issued.

Disposal Date	Distribution
December 1, 2006	All FSA Offices; State Offices relay to County Offices

Notice BU-695

2 Guidance

A FLP Funds

The following FLP funds will be held in the National Office reserve:

- direct farm ownership
- guaranteed operating with interest assistance.

Once carryover balances are apportioned by OMB, emergency loans may be obligated as loans are approved in designated areas.

An allocation of the following FLP funds will be entered into the Program Funds Control System:

- direct operating
- guaranteed operating, unsubsidized
- guaranteed farm ownership.

Any funds allotted from October 1, 2006, through November 17, 2006, will be considered part of the State's annual allocation for FY 2007.

B Appropriated Programs

Obligations and payments for DIPP are authorized using the carryover unobligated balance brought forward from FY 2006. State Offices may request new allocations from available FY 2007 funding at the National Office level.

State Mediation Grant and Grassroots Source Water Protection Program funds provided under CR will be held at the National Office level. Further instructions on FY 2007 obligations for these programs will be forthcoming.

C CCC-Funded Programs

Full CRP rental and C/S payments will be made. Instructions for making FY 2007 CRP rental payments are provided in Notice CRP-538.

Continue making:

- WRP and Farmland Protection Program payments for prior FY's

Note: Prior FY EQIP payments and FY 2007 EQIP allocations will be issued by NRCS.

- other CCC program payments with no restrictions.

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2 Guidance (Continued)

D National, State, and Field Office Salaries and Expenses

Operating costs at the National Office, State Offices, and Field Offices, such as travel and training, may continue at necessary levels in advance of specific allotments. Offices should prudently monitor all administrative obligations while operating under CR.

Note: Notice FI-2775 provides instructions about travel during the CR period.