

For: State and County Offices

County Office Review Program Findings for Reconstitutions

Approved by: Acting Deputy Administrator, Farm Programs

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1 Overview

A

Background

County operations reviewers (COR's) periodically conduct reviews of County Office program records and activities. After COR's finish their review, a report of findings is provided to the applicable County Committee (COC), State Executive Director (SED), and National Office.

The findings from the reviews performed in the first half of FY 2000 have been compiled and reviewed by the applicable National Office divisions. A number of deficiencies have been documented for reconstitutions. They are divided into the following subtopics for this notice:

- initiating a reconstitution
- notification requirements
- review of farm constitution, land classification, and ownership documentation
- COC responsibilities
- retaining reconstitution documentation
- updating reconstitutions.

B

Purpose

This notice provides County Offices with:

- an overview of the problems COR's found while reviewing reconstitutions
- paragraph references for review.

<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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Notice CM-414

2 Initiating a Reconstitution

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Producer Payment History Print

Problem: Producer payment history (PPH) was not printed for each farm before initiating a reconstitution to determine whether outstanding payments existed.

Resolution: County Offices shall print PPH:

- for each farm associated with the proposed reconstitution before the reconstitution is initiated
- according to 2-PF, paragraph 311.

Refer to 2-CM, subparagraph 71 B for additional information.

B

Completing FSA-155

This paragraph notes the deficiencies found on FSA-155. They include:

- item 2, "Reconstitution No.", did not contain the computer assigned reconstitution number
 - item 4, "Reason for Reconstitution", did not contain an explanation of the reason for the reconstitution
 - item 5, "Approximate Date of Change", did not contain the date ownership was transferred or the farming operation changed
 - item 6D, "parent farm Total Ag Use" and item 6K, "resulting farm Total Ag Use", did not contain the agricultural use acres for the respective farm
 - item 7A, "Crop", did not contain a list of all crops on the parent farm for divisions
 - item 7B, "Parent Farm Contract Acres/Allotments/Quotas", did not include the appropriate contract acreage, quota, or allotment for each crop on the parent farm for division
 - item 7C, "Check Appropriate Method", did not indicate the method of division for each contract acreage, quota, or allotment on the parent farm
 - the questions in items 9 through 14 were not answered
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2 Initiating a Reconstitution (Continued)

B
Completing
FSA-155
(Continued)

- item 15, "Certification and Agreement", not all owners signed in agreement to the farm combination of land under separate ownership according to 2-CM, subparagraph 89 B
- item 16A, "County Committee Person Signature", did not contain the signature of the approving official.

Note: The approving official is COC unless the authority has been redelegated to CED according to 2-CM, subparagraph 445 B.

- item 16B, "County Committee Action", did not indicate if the reconstitution was approved or disapproved after review according to 2-CM, paragraphs 444 and 445.

Refer to 2-CM, paragraph 72 for instructions on completing FSA-155.

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3 Notification Requirements

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Producer Notification

Problem: After completing the requested reconstitution, producers are not being:

- notified that a new CCC-478 needs to be filed for PFC farms
- notified of COC action, either approval or disapproval
- notified of appeal rights
- mailed FSA-156EZ
- mailed NRCS determinations.

Resolution: 2-CM, paragraph 464 provides instructions for notifying producers if a reconstitution is approved or disapproved. If the reconstitution is:

- disapproved, provide parent farm and resulting farm owners and operators with:
 - the disapproval
 - reasons the reconstitution was not approved
 - appeal rights according to 2-CM, paragraph 465
- approved, provide the resulting farm owners and operators with:
 - FSA-476 and other applicable commodity notices
 - FSA-156EZ
 - map photocopy with NRCS determinations entered on each field.

B

Premature Notification of Reconstitution

Problem: County Offices mailed FSA-476 before the reconstitution was approved by COC or designee.

Resolution: County Offices shall not update and mail producer notification until after COC reviews and approves the reconstitution according to 2-CM, paragraphs 444 and 445.

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4 Review of Farm Constitution, Land Classification, and Ownership Documentation

A

Reviewing Farm Constitution

Problems: COC did not annually review appropriate documents, including Query FARM0013, to determine that land was properly constituted.

District Director (DD) did not certify that COC's annual review to determine land is properly constituted was correctly completed

Resolution: Procedure is provided in 2-CM, subparagraph 70 C for reviewing documentation and Query FARM0013 to determine proper constitution of farms. Although a deadline for reviewing farm constitutions is not given, the review should be completed in a manner to ensure that contracts are correct and payments are issued to the correct producers.

DD's shall certify, according to 2-CM, subparagraph 3 B, that the annual review is completed correctly.

B

Land Classification

Problem: COC did not continually review records to determine whether land must be reclassified as cropland, agricultural use land, or nonagricultural, commercial, or industrial uses.

Resolution: COC is responsible for reviewing records to determine land classification, according to 2-CM, subparagraph 3 C. This is an ongoing review and the results of such a review may effect the constitution of a farm.

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4 Review of Farm Constitution, Land Classification, and Ownership Documentation (Continued)

C

Ownership Documentation

Problem: COC did not require specific proof of ownership when land ownership was transferred.

Resolution: Proof of ownership is required, according to 2-CM, subparagraph 42 A, before ownership records are changed in the County Office. Proof of ownership includes but is not limited to:

- copy of recorded deed
 - unrecorded deed, if specific program does not require a recorded deed
 - land contract
 - real estate tax statement
 - FSA employee's check of the record at the county land records office.
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5 COC Responsibilities

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Signing COC Report and FSA-155

Problems: The COC report was not signed by COC or designee.

COC did not review County Executive Director (CED) decisions when CED had been redelegated reconstitution approval/disapproval authority.

Resolution: After COC reviews documentation, the reconstitution shall be approved or disapproved, according to 2-CM, subparagraph 445 A, by signing:

- the COC report
- FSA-155.

COC may redelegate approval and disapproval authority according to 2-CM, subparagraph 445 B. However, each month COC shall review decisions made by CED.

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6 Retaining Reconstitution Documentation

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Retaining FSA-156 EZ

Problem: After the reconstitution was updated, a copy of FSA-476 was not attached to FSA-155.

Resolution: 2-CM, paragraph 470 outlines all the documentation that is to be attached to FSA-155 after a reconstitution is updated.

7 Updating Reconstitutions

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Updating an Approved Reconstitution

Problem: Reconstitution was processed and approved in automation system before COC approval.

Resolution: County Offices shall update the reconstitution in the computer only **after** COC reviews and approves the reconstitution according to 2-CM, paragraphs 444 and 445.

8 Action

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State and County Office Action

State and County Offices shall:

- review this notice to be aware of common errors that need to be eliminated on reconstitutions
 - ensure that the provisions of 2-CM are followed.
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