

For: Cotton State and County Offices

Cotton Loan and Repayment Corrections Involving COPS, Centralized Cotton Redemption (CCR), and PK8 Loan Corrections

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

If a cotton loan must be corrected, the process involves revisions in APSS, COPS, and possibly the CCR invoice if the loan has been redeemed. A software for COPS enhancement provided the:

- capability of reprocessing CCR invoices
- ability to modify loan numbers associated with CCR invoices.

Before NPS centralization, if a cotton loan repayment correction was necessary, an entry of “REFREP” was made on CCC-257 and an REFREP check was issued and used to manually repay the cotton loan on a current day CCC-257. Because of NPS centralization and the removal of check stock from County Offices, a revised process was developed to process cotton loan repayment corrections.

B Purpose

This notice provides information and instructions to State and County Offices about the following software enhancements:

- correction of loan making and subsequent repayments to create a manual loan and reenter repayments using a new loan number
- COPS update of new loan number when original loan has been corrected
- reversal and reentry of a repayment using the same loan number
- processing loan repayments when original amount was more or less than new amount
- removing corrected loans in COPS.

Disposal Date	Distribution
June 1, 2011	Cotton State Offices; State Offices relay to applicable County Offices

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1 Overview (Continued)

C Contact

State Offices shall direct questions about this notice to Shayla Watson by either of the following:

- e-mail to **shayla.watson@wdc.usda.gov**
- telephone at 202-690-0013.

D Types of Repayments

This table provides an overview of the types of corrections. Depending on the type of correction, additional processing is needed to ensure the new loan number is accurately reflected in COPS.

If a correction is needed to ...	AND additional processing is required to...	THEN the “PK8 Loan Correction” option chosen in COPS shall be, according to subparagraph 2 C...
reverse loanmaking only, and no repayments have been applied	remove the old loan number from COPS	“Loan Correction”. See subparagraph 2 C, step 4 A.
reverse loanmaking after a repayment has been applied	update loan number and CCR invoice in COPS	“Loan Correction (bales CCR invoice)”. See subparagraph 2 C, step 4 B.

Important: If a change to a repayment is needed without a correction to loanmaking, no additional processing is needed to change loan numbers in COPS. Follow the instructions to update the loan in APSS and NRRS as indicated in this notice.

2 Correction Processing

A Corrections to Loanmaking

Cotton loans **must** be corrected in APSS when the need arises. Follow the steps in this table to process a correction when a loan must be canceled and reissued.

Step	Action
1	In APSS, from Price Support Main Menu PCA005, select option “7”, “ Correct a Loan ”.
2	Enter the required information to select the applicable producer and loan to be reversed. Note: The user will have the option to view the loan details to ensure that the correct loan is chosen.
3	When the correct loan is selected, Loan Correction Screen PXA00005 will be displayed showing the transaction type, transaction date, and transaction time.

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2 Correction Processing (continued)

A Corrections to Loanmaking (continued)

Step	Action
4	<p>ENTER “Y” next to the loanmaking transaction to reverse the entire loan and PRESS “Enter” to continue.</p> <p>Note: All subsequent transactions will be reversed.</p>
5	Verify the loan to be reversed and PRESS “ Enter ” to continue.
6	A “Correction Posting Check-Off List” will automatically print listing the reversed transactions.
7	<p>If the loan has been disbursed (certified and signed in NPS), the entire loan will be canceled and a receivable will be automatically created in NRRS.</p> <p>Note: Do not manually create a receivable in NRRS for a canceled loan. If the loan has not been certified and signed, a receivable will not be created. Follow policy in 1-FI for using the “Hold for Cancel by Program” option. if necessary.</p>
8	<p>After the receivable has been established, the loan must be reentered with the correct information. Reprocess the loan as a “90,000” series number in APSS according to 7-CN, paragraph 192. Use the same preprocessed file used for the original loan. The file will need to be transferred to System 36 through COPS. Do not download EWR again because this will overwrite necessary existing data. Enter the original disbursement date so that the modified loan will have the same maturity date as the original loan and issue the loan.</p>
9	<p>Ensure that the corresponding receivable is available according to FMD policy. Perform a search of the receivable if necessary.</p> <p>Note: If the receivable has not shown up under the new loan payable in NPS, CLICK “Reset Payment Processing” according to 1-FI.</p>
10	In NPS, offset the receivable established when the original loan was canceled from the new loan.
11	<p>If the reconciliation results in a:</p> <ul style="list-style-type: none"> • negative difference, where the receivable is not fully paid off by new loan, demand the portion of the unpaid amount • positive difference, where the receivable is cleared and additional funds are available for disbursement, transmit those funds to the producer, as applicable.
12	Continue the certification and signing or demand and offset process according to 1-FI and 64-FI.
13	Access COPS at www.fsa.usda.gov/cotton to update the system with the new loan by completing the “PK8 Correction” process. Re-download the invoice as detailed in subparagraph B, if repayments must be reprocessed.

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2 Correction Processing (Continued)

B Corrections to Repayments

Repayments **must** also be corrected, as necessary, in APSS. If no errors occurred at loanmaking, the repayment can be reversed without canceling the entire loan. The CCR invoice **must** be updated in COPS according to subparagraph C, **before** the repayment can be applied in APSS and recorded in NRRS.

A software enhancement to COPS allows downloading an invoice that has previously been processed. The following table details the repayment correction process.

Step	Action	
1	Follow steps 1 through 6 of subparagraph A, ensuring that only the repayment portion of the loan is reversed. Enter “Y” next to the earliest repayment to be reversed. Note: All subsequent transactions will be reversed. A receivable will not be created for the canceled repayments.	
2	Update the CCR invoice by completing the “PK8 Correction” according to subparagraph C. Access COPS at www.fsa.usda.gov/cotton to re-download the invoice.	
3	Transfer CCR repayment file to APSS through COPS according to 7-CN, paragraph 210.9.	
4	Process the repayment in APSS according to 7-CN, paragraph 210.10.	
5	Process repayments that result in balance changes according to this step. Use the same alpha-numeric schedule for the original repayment as indicated in 7-CN, paragraph 210.10. Note: Do not record a separate or new remittance in NRRS unless noted in this step.	
	IF original repayment is...	THEN...
	more than the new repayment resulting in an overpayment and the CCC-257 has been verified	<ul style="list-style-type: none"> • follow procedure in 64-FI, subparagraph 65 G to request assistance from the Receivable Management Office to process a manual refund • ensure that the refund is sent to the appropriate person/party who redeemed the loan.
	more than the new repayment resulting in an overpayment and the CCC-257 has not been verified	<ul style="list-style-type: none"> • delete the original collection in NRRS • follow procedure in 64-FI, subparagraph 65 K to create a receivable for the amount due using code “XXCOMMLNMR” • process the collection and refund in the normal manner in NRRS according to 64-FI • ensure that the refund is sent to the appropriate person/party who redeemed the loan.

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2 Correction Processing (Continued)

B Corrections to Repayments (Continued)

Step	Action	
<p align="center">5 (Cntd)</p>	<p>IF original repayment is...</p> <p>less than the new repayment resulting in an under payment and CCC-257 has been verified</p>	<p>THEN...</p> <ul style="list-style-type: none"> • create a receivable in the name of the applicable producer using code “XXCOMMLND” to demand the difference owed by the person/party who redeemed the loan, use the loan number as a reference • when the remaining amount is collected, apply it to the loan in APSS and the newly created receivable in NRRS.
	<p>less than the new repayment resulting in an under payment and CCC-257 has not been verified</p>	<ul style="list-style-type: none"> • delete the original collection • enter the correct collection amount • the loan will remain outstanding until it is paid in full • when the remaining amount is collected, apply it to the loan in APSS • record the collected amount in NRRS, referencing the loan number.

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2 Correction Processing (Continued)

C Updating Loan Numbers in COPS

After a loan and/or repayment correction action is taken in APSS that results in a new loan number, COPS **must** be updated to replace the original loan number. The “PK8 Loan Correction” option in COPS was designed to facilitate this replacement. Update the loan in COPS according to the following table.

Note: COPS will assign “R030” and “R031” error codes to loans that are **not** removed.

Step	Action
1	Process the loan correction as described in subparagraph A, up to step 13, “PK8 Correction” and/or subparagraph B, step 2, “PK8 Correction”.
2	Access COPS at www.fsa.usda.gov/cotton and login.
3	On the COPS Home Page, under the “Bale” tab, CLICK “PK8 Loan Correction”. This is an example of the COPS Home Page.

The screenshot shows the COPS Home Page interface. At the top, it says 'COPS Home' and 'Logoff'. Below that is the 'United States Department of Agriculture Cotton Online Processing System' header. A welcome message reads 'Welcome [COPS User] You have access to COPS as a Core User.' The main content area is divided into several sections:

- Administrative:** Change Your Password, Request Review, System Access Request, User Maintenance, View E-mail
- Information:** Accessibility Statement, Availability, Cotton Loan Processing, CCR Buyer Setup, Experiencing Problems?, News Bulletins, Related Links, User Guide
- Reports:** Accounting Reports, Bale Invoice Search, CCC-719, CCC-734, CCR County Invoice Reports, CCR CMA/LSA Reports, CCR Reports, Expired IDs, File Transmission, Forecasting, Loan Summary, Sale Reports
- Bale:** Bale Comments, Bale Information, Bale Reclass, County/Coop Indicator Override, Duplicate Bales, Error Information, EAD Status, Loan Information, **PK8 Loan Correction** (indicated by an arrow)
- Internal Controls:** County Maintenance, CMA/LSA Maintenance, Rate Maintenance, Reprocess FFATA Errors
- Transfer:** DACO Cotton Transfer Approval, Merchant Summary, Transfer Aging Measurement, Transfer Information, Transfer Termination
- Catalog:** Cotton Catalogs
- Invoicing:** Certification Recap, CCR Buyer Files Generation, CCR Invoice Payment, CCR Invoice Request, Invoice Certification, Invoice Payment, Invoice Review, Invoice Verification, Verification Recap
- Home Pages:** Internal Communications, Warehouse Home
- Price Support:** 1 Loan Processing, 2 Receipt Release, 3 Receipt Release Completion, 4 Reports, 5 File Maintenance, 6 Loan Correction, 7 CCR Invoice

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2 Correction Processing (Continued)

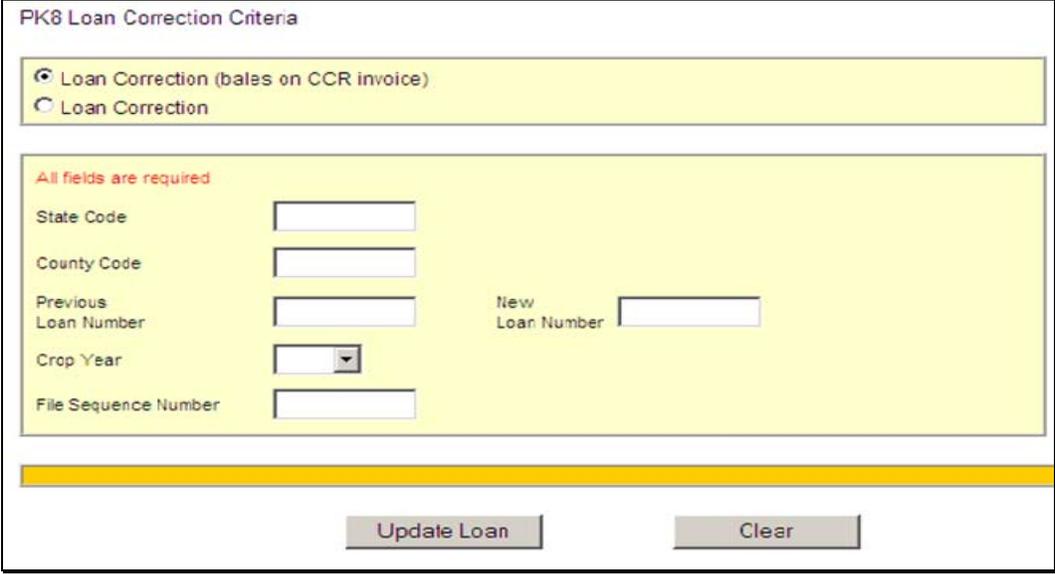
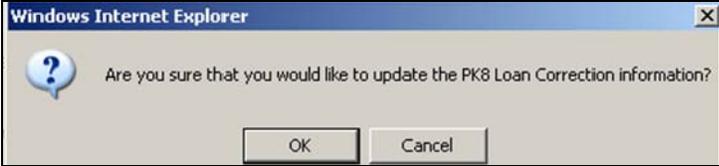
C Updating Loan Numbers in COPS (Continued)

Step	Action
4 A	<p data-bbox="386 365 1442 436">If the entire loan was reversed and reissued CLICK the radio button next to “Loan Correction”. This process will remove the old loan from COPS.</p> <p data-bbox="386 470 1373 541">This is an example of the “PK8 Loan Correction Criteria” screen for a “Loan Correction”.</p> <div data-bbox="391 581 1446 1125"><p data-bbox="396 585 776 611">PK8 Loan Correction Criteria</p><div data-bbox="396 638 1393 705"><p data-bbox="412 646 797 667"><input type="radio"/> Loan Correction (bales on CCR invoice)</p><p data-bbox="412 674 586 695"><input checked="" type="radio"/> Loan Correction</p></div><div data-bbox="396 730 1393 1005"><p data-bbox="412 743 613 764">All fields are required</p><p data-bbox="412 779 837 806">State Code <input type="text"/></p><p data-bbox="412 821 837 848">County Code <input type="text"/></p><p data-bbox="412 863 837 905">Previous Loan Number <input type="text"/></p><p data-bbox="412 919 781 947">Crop Year <input type="text"/></p><p data-bbox="412 961 837 989">File Sequence Number <input type="text"/></p></div><div data-bbox="716 1083 906 1115"><input type="button" value="Update Loan"/></div><div data-bbox="1032 1083 1211 1115"><input type="button" value="Clear"/></div></div>

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2 Correction Processing (Continued)

C Updating Loan Numbers in COPS (Continued)

Step	Action
4 B	<p>If the CCR invoice must be re-downloaded, CLICK “radio button” next to “Loan Correction (bales on CCR invoice)”.</p> <p>This is an example of the PK8 Loan Correction Criteria Screen for a “Loan Correction (bales on a CCR invoice)”.</p>  <p>Enter the following data in boxes provided:</p> <ul style="list-style-type: none"> • State code • county code • previous loan number • new loan number • crop year (select from drop down box) • file sequence number. <p>Note: County Office employees are authorized to replace loan numbers when reprocessing a CCR invoice.</p>
5	CLICK “Update Loan”.
6	<p>CLICK “OK” to the question, “Are you sure that you would like to update the PK8 loan Correction information?”, to update the PK8 Loan Correction information.</p> 

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2 Correction Processing (Continued)

C Updating Loan Numbers in COPS (Continued)

Step	Action
7	<p>A confirmation will be displayed that the update was successful, as follows.</p>  <p>CLICK “OK”.</p>
8	<p>No further action is needed if the “Loan Correction” option was taken.</p> <p>If this process was completed to update loan numbers on a CCR invoice, users shall do the following:</p> <ul style="list-style-type: none">• on the COPS Home Page, under the “Price Support” tab, CLICK “CCR Invoice”.• on the CCR Invoice Criteria Screen, enter criteria, and CLICK “Invoice List”.• click the line item for the desired invoices to download. Repeat step 8 until all applicable invoices have been downloaded.