

For: Cotton State and County Offices, Cotton CMA's, and LSA's

**Instructions and Policy for Resolving
2001 Cotton Online Processing System (COPS) Errors**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

PSD and KCAO are working with State and County Offices, CMA's, and LSA's to resolve COPS errors for the **2001** crop year. These errors may include:

- bale data errors
- processing errors
- duplicate benefits between CMA's, LSA's, and County Offices.

To facilitate this process, it is important that all parties:

- devote full attention to this effort
- work with the appropriate contact person to ensure that corrections are completed timely.

Note: Instructions for resolving errors for 1999 and 2000 crop years will be issued in a forthcoming notice.

B Purpose

This notice informs State and County Offices, cotton CMA's, and LSA's of contact procedure and policy to resolve cotton MAL and LDP errors.

<p>Disposal Date</p> <p>May 1, 2005</p>	<p>Distribution</p> <p>Cotton State Offices; State Offices relay to County Offices, Cotton CMA's and LSA's</p>
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1 Overview (Continued)

C Contact

State Offices shall direct questions about this notice to Julie Floriani by:

- telephone at 202-720-8374
- e-mail to julie_floriani@wdc.usda.gov.

2 Resolving COPS Errors

A General Information

The Automated Cotton Reporting System (ACRS) disburses loans and LDP's to CMA's and LSA's. Before 2004 crop changes can be implemented into ACRS, all **2001** COPS errors associated with CMA's and LSA's must be resolved.

Many 2001 COPS errors exist for County Offices as well. It is very important that these errors be resolved as soon as possible.

3 Action

A County Office Action

County Offices shall:

- resolve 2001 COPS errors by July 1, 2004
- contact their State Office to:
 - request assistance with resolving errors
 - seek advice when resolving errors between the County Office and a CMA or LSA.

Note: County Offices shall **not** contact Kansas City staff to seek assistance with errors.

3 Action (Continued)

B State Office Action

State Offices shall:

- assist County Offices with error resolution
- monitor County Office progress with resolving errors
- coordinate researching and resolving errors that involve County Offices and CMA's or LSA's
- request assistance from PSD and Kansas City staff to resolve errors
- report to PSD by July 1, 2004, the number of errors that remain outstanding by memo to Julie Floriani at Julie_Floriani@wdc.usda.gov.

C Kansas City Action

Kansas City shall:

- work with CMA's and LSA's to resolve COPS errors
- contact the applicable State Office specialist if errors must be corrected by a County Office
- **not** contact a County Office to direct them to correct errors.

D CMA or LSA Action

CMA or LSA employees shall:

- work with Kansas City staff to resolve errors
- contact the applicable State Office specialist if CMA or LSA research indicates errors must be corrected by a County Office.

4 Resolving Duplicate Benefit Policy

A Determining Which Benefit is the Duplicate

If a duplicate benefit is paid, such as a second loan or LDP for commodities under loan, the:

- first disbursed benefit is considered the correctly disbursed benefit
- second benefit is considered the duplicate for correction purposes.

Exception: When CCC-Cotton AA is used to lock-in AWP for modules and LDP is subsequently disbursed, the date of the producer's signature determines the date of the benefit for determining which benefit is the correctly disbursed benefit.

B Determining Violations

For benefits that must be corrected by a County Office, the CED and COC, according to 7-CN, Part 7, determine whether a violation has occurred and if liquidated damages are applicable.

For true duplicates that must be corrected by a CMA or LSA, liquidated damages are applicable because:

- good faith cannot be determined
- producers have no FSA appeal rights with LSA's
- CCC-Cotton G signed by cotton CMA's provides for liquidated damages.

CMA's may request waivers of liquidated damages from PSD according to 1-CMA subparagraph 139 D.

Exception: Because both CMA's and LSA's were **not** timely notified of duplicate errors, interest penalty and liquidated damages are waived for all true duplicate errors that must be corrected by CMA's or LSA's for crop year **2001**. However, program interest is still applicable from the date of disbursement to the date of repayment.

5 Request For COPS Errors to be Lifted

A Errors That Can Be Lifted

Certain COPS errors can be resolved by requesting that the error be lifted. These errors include:

- R0145, Repayment Date Missing/Invalid. This error may occur when the repayment was for an immediate certificate exchange, and the County Office entered a repayment date earlier than the loan disbursement date.
- R030 and R031, which indicates duplicate gin tags. These errors may occur when there are actually 2 bales of cotton, but the same gin tag or receipt number, because the data was entered incorrectly.

B Documenting and Submitting Request

State Office Price Support Specialist must submit a request to PSD to lift COPS errors. At a minimum, the request shall contain the following elements:

- State and County code
- State and County name
- COPS error
- crop year
- indicate if the transaction is a loan or LDP
- gin code
- warehouse code
- reason for error

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5 Request For COPS Errors to be Lifted (Continued)

B Documenting and Submitting Request (Continued)

- indicate if the request includes all EWR's on the loan/LDP
- list the incorrect bale data followed by the correct bale data. Indicate if data is a gin tag number or warehouse receipt number.
- verify that the correct bale number is not in COPS or paid under another loan/LDP number
- if loan, verify that CCC was the holder of the correct bale during the loan period
- overpayment or underpayment
- other supporting information

States Office shall:

- review the documentation submitted by the County Office
- if concurring with the County Office, forward the request to Julie Floriani at Julie_Floriani@wdc.usda.gov.

Note: Only PSD, Automation Branch is authorized to direct Kansas City staff to lift COPS errors