

For: State and County Offices

Making CRP Annual Rental Payments in FY 2012

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

FY 2012 funds have been made available to issue CRP annual payments. Kansas City will run the batch payment process Sunday night, October 2, 2011, for CRP annual rental payment, Transition Incentive Payments (TIP), and Emergency Forestry CRP (EFCRP) due an annual payment in October 2011. Beginning in November 2011, the batch payment process will be executed the first week of each month to process EFCRP annual rental payments.

Annual rental payments that are successfully processed by the Kansas City batch payment process will be present in NPS Monday, October 3, 2011, for certifying and signing by County Offices. Payments that were not included in the batch payment process because of being “blocked” must be accessed by the County Office and unblocked if a payment is eligible to be issued. County Offices can access the payment reports in the Conservation Payments System to identify the reason for failed payments. Once the issue causing the payment failure is corrected, the County Office can issue the payment using the “Make NPS Payment” option.

B Purpose

This notice provides State and County Offices with the following:

- policies to ensure that all due CRP annual rental payments are issued in a timely manner
- overview of the annual rental payment process for FY 2012
- instructions for identifying and processing failed payments
- notification of available supporting material
- instructions for unblocking payments
- instructions for receivables when initial notification letters are needed
- the Finality Rule does **not** apply to CRP annual payments.

Disposal Date	Distribution
October 1, 2012	State Offices; State Offices relay to County Offices

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2 Overview of CRP Payment Processing

A CRP Payment Process

October 2011 annual CRP rental payments will be initiated as a web-based batch process from Kansas City.

The batch process initiated by Kansas City will send payment information to NPS for payments that have been successfully processed. County Offices must review CRP annual rental payments, including TIP in NPS, and perform the normal certifying and signing process for payments **before** releasing to Treasury and being sent to the producers. The batch payment process will automatically run each month to process EFCRP annual rental payments. County Offices must process CRP rental payments through the Conservation Payments System for contracts not paid during the batch process.

B Conservation Payments User Guide

The following 2 updated conservation payments user guides are available on the CEPD State and County Office Information Center web site at

<http://fsaintranet.sc.egov.usda.gov/ffas/dafp/cepdsto.htm>:

- Conservation Payments Software State User Guide
- Conservation Payments Software County User Guide.

The updates include instructions for payment reports, making and canceling payments, and blocking and unblocking payments. These user guides will be used to process individual payments.

C CRP Signup Incentive Payments (SIP's), Practice Incentive Payments (PIP's) and Transition Incentive Payments (TIP's)

CRP SIP and PIP payments **will continue to** be issued through Conservation Payments software. Starting October 3, 2011, TIP payments will be included in the web-based Conservation Payment software. By accessing the Conservation Payments software, County Offices will have the option of choosing to make SIP, PIP, or TIP payments for CRP contracts. The CRP payment limitation applies to SIP, PIP, and TIP payments.

D Transaction Statements

Transaction statements will be mailed by Kansas City to the CRP participants receiving payments processed through the Conservation Payments System. Only payments that are processed successfully by NPS will receive a transaction statement. Producers will **not** be notified if the payment was blocked by the County Office or was not included in a batch process because of producer ineligibility. County Offices will **not** receive copies of transaction statements.

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2 Overview of CRP Payment Processing (Continued)

E Prior Year Payment Corrections

System 36 functionality will still be available for maintaining prior year payments previously issued through System 36, unless the payments have been canceled.

Example: If a portion of a producer's payment for 2008 and prior years was issued from System 36, the remaining portion of the payment will be issued from System 36 special payments.

Any prior year payment being made in its entirety will be issued from the web-based Conservation Payments System. Payments issued from System 36 special payments do not interact with the Conservation Payments System and will not be available on the Conservation Payment System reports. Payments issued from System 36 special payments go to AS/400 and then through the message function to NPS.

F Payment Cancellations

Cancelling payments issued through the web-based Conservation Payments System will be performed in the Conservation Payments System.

3 Making FY 2012 CRP Annual Rental Payments

A Identifying and Processing Failed Payments

County Offices shall run "NPS Payments with the Exceptions" report located under the "Payment Reports" option in the Conservation Payments System to identify failed payments that were not processed through the batch payment process. Once the issues that caused the payment failure have been corrected, the County Office can issue the payment using the "Make NPS Payment" option.

The screenshot displays the 'Payment Report' form in the Conservation Payments System. The left-hand navigation menu has 'Payment Reports' highlighted with a red arrow. The main form area contains the following fields and options:

- Program Name: CRP (dropdown)
- Payment Year: 2011 (dropdown)
- State: Mississippi - 28 (dropdown)
- County: Select County (dropdown)
- Contract Number: (text input)
- Contract Number Range From: (text input) To: (text input)
- Payment Type: Annual (dropdown)
- Payment: Prepayment with exceptions (dropdown)
- Report Type: A dropdown menu is open, showing options: Prepayment with exceptions, Prepayment without exceptions, NPS Payments with exceptions (highlighted with a red arrow), NPS Payments without exceptions, and NPS Partial Payments with exceptions.

At the bottom of the page, there is a footer with various links: ConservationPayments Home, FSA Internet, FSA Intranet, Site Map, Policies and Links, FOIA, Accessibility, Privacy, Non-Discrimination, Information Quality, FirstGov, and White House.

Note: The Conservation Payments software reports are essential because the List of Producers Under Paid Report in 1-CRP, paragraph 391, and the CRP Overpayment Report for all producers referenced in 1-CRP, paragraph 394, are **no longer available** for payments issued through the Conservation Payments software.

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B Payment Reports

To capture nonpayment information and to run an NPS Payments with exceptions report, from the Conservation Payment Home Page, under “Reports”, CLICK “Payment Reports”. On the Payment Report Screen, create payment reports according to the following table.

IF field is...	THEN...
Program Name	use drop-down menu to select “EFCRP”, “SAFE”, or “CRP”.
Payment Year	use drop-down menu to select the year the payment is earned. Example: CRP payment is earned October 1, 2010, through September 30, 2011. CRP payment is issued in October 2011. The payment year is 2011.
State and County	use drop-down menus to select applicable State and county.
Contract Number	enter contract number (optional).
Contract Number Range From/To	enter contract number range (optional).
Payment Type	use drop-down menu to select “Annual” or “Lump sum”. Lump sum will only be available if EFCRP is selected as the program name.
Payment	use drop-down menu to select “NPS Payments with exceptions report” for a list of payments that have failed.
Report Type	use drop-down menu to select “Summary or Details” report.

CLICK “Search” to generate a Nonpayment Report.

Notes: If “Contract Number” fields are left blank and users click “Search”, a list of contracts will be displayed.

Examples: If users want to see an NPS Payments with exceptions report for SAFE contracts with the numbers 10001-10009, CLICK “SAFE” for “Program Name”, and in the “Contract Number Range From/To” fields, ENTER “10001” and “10009” respectively, and CLICK “Search”.

If users want to see only 1 contract for NPS Payments with exceptions report, enter the contract number in the “Contract Number” field, and CLICK “Search”.

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C Eligibility

For FY 2012, the Conservation Payments System will read 2011 determinations and certification information to determine producer eligibility for the CRP annual rental payments. The rules in effect at contract approval determine which determinations and certification information apply to the contract. The applicable determinations and certification information **must** be updated for 2011 for a producer to receive the CRP annual rental payment.

Note: Under no circumstances shall the subsidiary eligibility certification or determination information be changed to remove a producer listed on the prepayment report unless the required documentation is on file to support the system change.

The following determinations and certification information in the web-based subsidiary eligibility system apply to all CRP contracts:

- Conservation Compliance
- Controlled Substance
- Fraud-including FCIC Fraud
- Federal Crop Insurance
- AD-1026.

The following determinations and certification information in the web-based Subsidiary Eligibility System apply to CRP contracts approved before October 1, 2008. The determination and certification information does **not** apply to CRP contracts approved on or after October 1, 2008, and will **not** apply to the extension period approved for 2009 extensions:

- Actively Engaged - 2002 Farm Bill
- Cash Rent Tenant (Cropland Factor)
- Permitted Entity - 2002 Farm Bill
- Person Eligibility - 2002 Farm Bill.

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C Eligibility (Continued)

AGI provisions are effective at contract approval and remain in effect for the life of the CRP contract as follows:

- 2002 Farm Bill:
 - applies to CRP contracts approved before October 1, 2008, but after May 14, 2002
 - applies to extension periods approved during the Re-Enrollment and Extension option (REX) regardless of the original contract approval date
 - does **not** apply to CRP contracts approved on or after October 1, 2008
- Conservation Program Certification:
 - applies to contracts approved on or after October 1, 2008
 - applies to the extension period for contracts extended through 2009 extensions
 - does **not** apply to CRP contracts approved before October 1, 2008.

Note: For contracts other than contracts extended through the REX process, with an approval date **before May 14, 2002**, AGI provisions do **not** apply.

D Unblocking Payments

CRP payments that required a payment reduction and were entered in the special payment processing were **batch blocked** by Kansas City. County Offices can print the Producers Selected for Special Payment and/or Reductions Report according to 1-CRP, paragraph 386, which will list the producers that were selected for special payments by the County Office to be blocked. The County Office can use the list to identify blocked CRP contract payments that need to be unblocked. The County Offices must ensure that the receivables for these payment reductions have been verified before unblocking the payment. These blocked payments can then be unblocked by County Offices so payment can be made through the next batch payment process.

Kansas City will run the batch payment process periodically in October. The County Offices can also make the payment using the “Make NPS Payment” option.

Note: The Producers Selected for Special Payment and/or Reductions Report does **not** contain information for SAFE or EFCRP contracts.

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3 Making FY 2012 CRP Annual Rental Payments (Continued)

D Unblocking Payments (Continued)

On the Conservation Payment Home Page, under “Payments”, CLICK “**Unblock Payment**”.
On the Unblock Payment Screen, unblock payments according to the following table.

IF field is...	THEN...
Program Name	use drop-down menu to select “EFCRP”, “SAFE”, or “CRP”.
Payment Year	use drop-down menu to select the year the payment is earned. Example: CRP payment is earned October 1, 2010, through September 30, 2011. CRP payment is issued in October 2011. The payment year is 2011.
State and County	use drop-down menus to select applicable State and county.
Contract Number	enter contract number (optional).
Contract Payment Type	use drop-down menu to select “Lump sum” (for EFCRP only) or “Annual”.

CLICK “**Search**” to generate a list of payments to unblock.

Notes: If “Contract Number” is left blank and users click “**Search**”, a list of contracts will be displayed.

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3 Making FY 2011 CRP Annual Rental Payments (Continued)

D Unblocking Payments (Continued)

A list of contracts for which the user can unblock payment will be displayed. Select the desired contract and CLICK “Continue” to continue or “Reset” to reset the field.

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Farm Service Agency Conservation Payments

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Payments Menu
Welcome 063945
Payments
Make NPS Payment
Cancel NPS Payment
View Contract Payment Summary
Block Payment
Unblock Payment
Reports
Prepayment Process
Payment Reports

Unblock Payment
Program:CRP State:Mississippi - 28 County:Clarke - 023
Payment Type:AN Payment Year:2011

One Contract found.

	Contract Number	Contract Effective Date	Farm Number	Tract Number
1		09/17/2004	000	N/A

Continue Reset

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If user clicked “Continue” to unblock the payment displayed, select customer and CLICK “Submit”.

United States Department of Agriculture
Farm Service Agency Conservation Payments

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Payments Menu
Welcome 063945
Payments
Make NPS Payment
Cancel NPS Payment
View Contract Payment Summary
Block Payment
Unblock Payment
Reports
Prepayment Process
Payment Reports

Unblock Payment
Program:CRP State:Mississippi - 28 County:
Payment Type:AN Payment Year:2011

Contract Number: .
Start Date: 09/17/2004
Program Year: 1998
Farm Number: 000
Tract Number: N/A
Payment Amount: \$.

	Customer Name	Shared %	Shared Amount	Reason
<input checked="" type="checkbox"/>		50.0	\$.	for testing purposes only
<input checked="" type="checkbox"/>		50.0	\$.	

Submit Cancel

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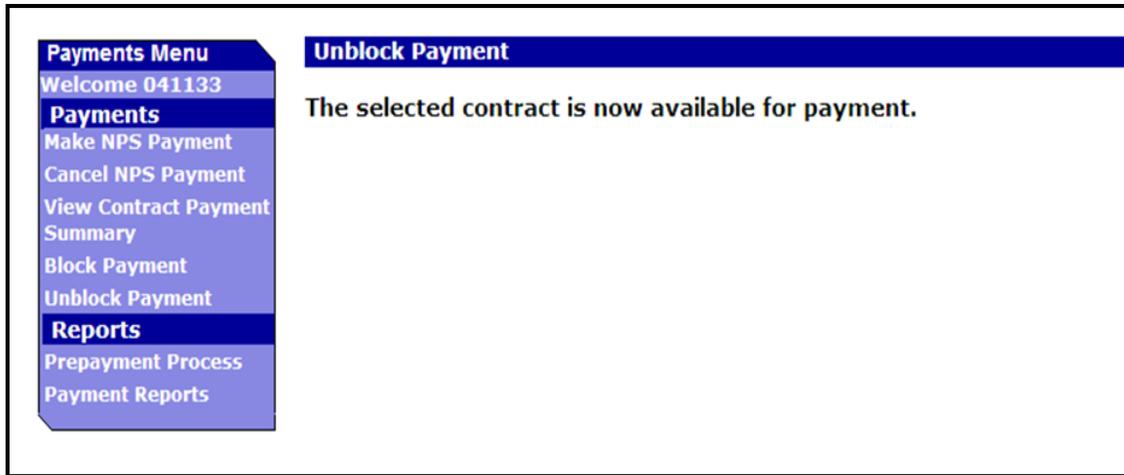
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D Unblocking Payments (Continued)

The Unblock Payment Screen will be redisplayed with the statement, “The selected contract is now available for payment”. If this statement is not displayed, the payment was **not** unblocked.

The contract is now unblocked and available for payment.



4 Haying/Grazing and Unauthorized Use Reductions

A Receivables

Notice CRP-697, subparagraph 3 D provided that County Offices should use Basis Reason Code “Due Process Suspended” in NRRS when creating receivables for CRP payment reductions.

Using this code prevents demand letters from being issued to the CRP participants. In cases where the CRP annual rental payment did not completely satisfy the receivable created for the payment reduction, a demand letter will need to be issued to the CRP participant. The County Office user will need to access NRRS and change the Basis Reason Code by selecting the correct Basis Reason Code from the drop down menu. Changing this code will trigger the system to generate the initial notification letter for the balance owed by the CRP participant. The initial notification letter will be generated by Kansas City 3 calendar days after the Basis Reason Code is changed.

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5 Action

A State Office Action

State Offices shall ensure that County Offices follow instructions in this notice.

B County Office Action

County Offices shall:

- certify and sign CRP payments in NPS
- follow the provisions of this notice to issue additional payments.

C Contact

For questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Kimberly Wright, CEPD at 202-720-1659.