

For: State and County Offices

FY 2012 National CORP Review for Improper Payments for CRP

Approved by: Acting Deputy Administrator, Farm Programs



1 CORP Findings for FY 2012

A Background

The Improper Payments Information Act (IPIA) of 2002 requires Federal agencies to annually review programs to determine whether internal controls are sufficient to prevent issuing improper payments.

These reviews enable FSA to have reliable and statistical data to determine the effectiveness of programs and whether adequate management controls are in place to conform with IPIA requirements. OMB defines an improper payment as any payment that should **not** have been issued or was issued in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts include both overpayments and underpayments.

During the FY 2012 CORP review, the CRP error rate was 0.36 percent, down from 1.77 percent for the FY 2011 review.

Program	Year	Error Rate
CRP	2011	1.77 percent
	2012	0.36 percent

B Purpose

This notice:

- is being issued as part of FSA’s corrective action plan as required under IPIA
- informs State and County Office employees of CORP findings about CRP
- directs follow-up action within each State to ensure that all offices review the listed discovered errors and take any needed corrective action.

Disposal Date	Distribution
February 1, 2013	State Offices; State Offices relay to County Offices

Notice CRP-723

1 CORP Findings for FY 2012 (Continued)

C Action

SED's shall ensure that:

- applicable State Office division chiefs and specialists review this notice in detail to develop Corrective Action Plans, as needed, to ensure that County Offices follow applicable program procedures issued through national notices and program handbooks
- additional internal control procedures are developed to avoid findings indicated by CORP reviews
- applicable State Office program divisions provide additional program training, where needed, and implement Corrective Action Plans to reduce improper payments
- DD's review this notice with CED's and PT's within their respective districts.

D Findings and Policy

The following table provides CORP CRP improper payment findings and the procedure reference and policy for each finding.

Description of Findings	Procedure Reference and Policy
Applicable payment reduction is not made.	For each applicable year the CRP participant hayed or grazed eligible CRP acreage, the CRP-1 annual rental payment shall be reduced by the number of acres actually hayed or grazed, times the CRP per acre annual rental payment, times 25 percent. See 2-CRP, paragraphs 666, 681, 694, and 717.
Payment acres are incorrect.	Correct erroneous acre determinations according to 2-CRP, subparagraph 546 B.
Rental rate is incorrect.	For general CRP contract payments, County Offices shall determine the maximum payment rate (MPR) for the offer according to 2-CRP, paragraph 101. County Offices shall ensure that the correct 3 predominate soils, soil rental rates, and maintenance rates are used to determine the rental rate for the offer. For continuous CRP and CREP contract payments, County Offices shall determine MPR for the offer according to 2-CRP, paragraphs 101 and 196 for both cropland and marginal pastureland rental rate calculations. Before CRP-1 is completed, the County Office shall inform the participant of the calculated per acre MPR for the eligible acreage being offered on CRP-2C. County Offices shall ensure that incentives are calculated according to 2-CRP, paragraph 196.