

For: State and County Offices

Recording CRP Payment Reductions

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

2-CRP, Part 18 includes restrictions on using land enrolled in CRP during the CRP-1 contract period. However, some exceptions are permitted in exchange for the assessment of a payment reduction for the applicable contract. These exceptions include, but are not limited to, the following:

- emergency haying and grazing
- managed haying and grazing
- routine grazing
- prescribed grazing.

Notice CRP-720 advised State and County Offices of the CRP enhancements that allowed a 2012 reduction amount to be recorded in the web-based Conservation Payment System. After recording the reduction amount in the web-based Conservation Payment System, CRP annual rental payments will be automatically reduced by the recorded reduction.

B Purpose

This notice:

- provides State and County Offices with information about changes that will allow 2013 reductions in the conservation web-based payment reduction software
- provides guidance for recording, modifying, and deleting payment reduction amounts
- advises State and County Offices that receivables **do not** need to be created for producers who elect to have a payment reduction taken from their annual rental payment
- provides guidance for recording manual reduction amounts

Disposal Date

November 1, 2013
4-23-13

Distribution

State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose (Continued)

- instructs County Offices that receivables shall continue to be created if a producer elects to pay a CRP payment reduction amount upfront
- obsoletes Notice CRP-720.

2 General Payment Reduction Information

A Web-Based Payment Reduction

County Offices shall inform producers of the option to allow annual rental payments to be reduced.

Benefits to producers will include accuracy in:

- calculated reduction amounts because of assessments conducted at FY-end
- CCC-1099's reflecting net payments issued.

Note: County Offices shall **not** refuse to accept payment for reduction amounts if the producer, or someone acting on the producer's behalf, chooses to pay the reduction.

The automated process reduces workload for County Offices by eliminating the requirement to:

- establish a receivable
- apply collections.

B Web-Based Payment Reduction Software

The web-based payment reduction software is designed to provide County Offices with an option to record the reason and amount of the payment reduction. The software allows for up to 9 possible types of payment reductions:

- Managed Haying/Grazing
- Emergency Haying/Grazing
- Unauthorized Uses
- Routine Grazing
- Spot Grazing
- Prescribed Grazing
- Forestry Maintenance
- Sale of Carbon and Other Credits
- Wind Turbines.

Note: A future enhancement will add additional reduction reasons.

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2 General Payment Reduction Information (Continued)

B Web-Based Payment Reduction Software (Continued)

Note: Some options are available because they are authorized by regulation, but may not currently be applicable, such as “Forestry Maintenance”. County Offices shall ensure that the correct reduction reason is selected when recording reductions. See subparagraph 4 B for additional information on selecting reduction reasons.

When the October payment batch is triggered for 2013, annual rental payments will automatically be reduced by the total amount of all reductions recorded in the Conservation Payment System.

3 Recording Payment Reductions

A Policy

2-CRP:

- Part 18 provides guidance on permissive and restrictive uses of CRP acres
- Part 19 provides guidance for haying and grazing of CRP acres.

County Offices shall follow this table for determining when payment reduction amounts shall be recorded in the new web-based payment reduction software.

IF the producer...	AND the producer...	THEN County Offices shall...
has already paid the assessed payment reduction amount		<p>not record the payment reduction amount in the web-based payment reduction software.</p> <p>Exception: If the amount paid is less than the actual amount that should have been assessed, County Offices shall record the reduction for the additional acres only.</p>
elects to have the amount reduced from their annual rental payment	has not reported the actual acreage hayed/grazed	<p>record the payment reduction amount computed on CRP-117.</p> <p>Note: County Offices shall not block payments if the actual acres have not been reported unless the producer authorizes FSA, in writing, to hold the payment until actual acres can be reported.</p>
	reports the actual acreage hayed/grazed	<p>record the payment reduction amount computed on CRP-118.</p> <p>Note: If the actual acres differ from the intended acres, then the payment reduction amount should be modified and the annual rental payment should be reprocessed.</p>

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3 Recording Payment Reductions (Continued)

B Recording Payment Reduction Amounts

County Offices shall follow this table to record payment reduction amounts determined on CRP-117 or CRP-118, as applicable, that should be reduced from the producer’s annual rental payment.

Step	Action	Result
1	Access the FSA Applications Intranet web site at http://intranet.fsa.usda.gov/fsa/FSAIntranet_applications.html .	
2	Under “Conservation”, CLICK “Conservation Payments”.	
3	Log-in through the USDA eAuthentication Log-in Screen.	The Conservation Payment System Home Page will be displayed.
4	CLICK “Record Reduction” on the left navigation menu.	The Search Criteria Page will be displayed.
5	Specify the search criteria for the applicable contract and/or producer. CLICK “Search”.	The contracts matching the search criteria will be displayed.
6	Select the applicable contract from CRP-117 or CRP-118, as applicable. CLICK “Continue”.	Information related to the contract will be displayed, including all producers with a share of the selected contract.
7	CLICK “Add” to the right of the producer with the payment reduction.	The Record Reduction Page will be displayed. See subparagraph 4 A for an example of this page.
8	Select the reason for the payment reduction. Record the manually calculated reduction amount. When complete, CLICK “Add” to the right of the “Amount” field. Note: The information recorded is not updated to the system unless “Add” is clicked.	The Record Reduction Page will be redisplayed after the update is complete.
9	Repeat step 8 for each additional payment reduction applicable to the contract and producer. When complete, CLICK “Record Reduction” on the left navigation menu to return to the Search Criteria Page to select another contract or producer with reductions.	

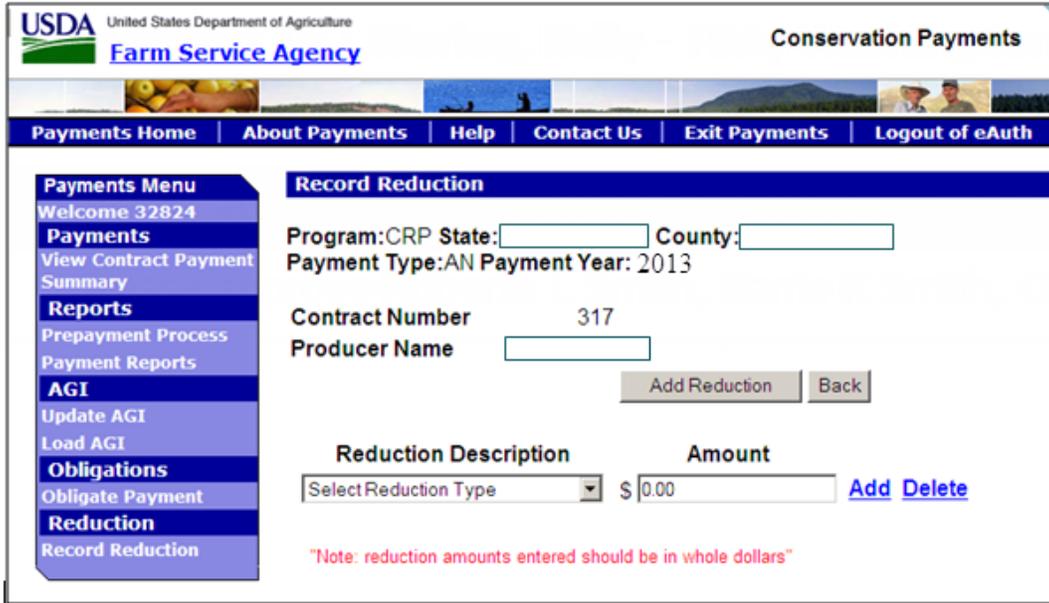
Note: Do **not** load reductions in System 36. Any reductions recorded in System 36 will **not** be retrieved or migrated to the web-based Conservation Payment System.

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4 Record Reduction Page

A Example of Record Reduction Page

The following is an example of the Record Reduction Page.



B Information on the Record Reduction Page

This table describes the information displayed on the Record Reduction Page.

Section of Page	Field	Description						
Header	Program	Program, State, county, payment type, and payment year selected on the Search Criteria Page.						
	State							
	County							
	Payment Type							
	Payment Year							
Contract Information	Contract Number	Contract number and producer name when “Add” was clicked in subparagraph 3 B, step 7.						
	Producer Name							
Reduction Information	Reduction Description	There are 9 possible options for the reason for the assessment of the payment reduction.						
		Note: County Offices shall follow 2-CRP about the applicability of assessing payment reductions.						
		<table border="1"> <thead> <tr> <th>Type of Reduction</th> <th>When to Use</th> </tr> </thead> <tbody> <tr> <td>Managed Haying/Grazing</td> <td>See 2-CRP, Part 19, Sections 1 and 2.</td> </tr> <tr> <td>Emergency Haying/Grazing</td> <td>See 2-CRP, Part 19, Section 3.</td> </tr> </tbody> </table>	Type of Reduction	When to Use	Managed Haying/Grazing	See 2-CRP, Part 19, Sections 1 and 2.	Emergency Haying/Grazing	See 2-CRP, Part 19, Section 3.
		Type of Reduction	When to Use					
Managed Haying/Grazing	See 2-CRP, Part 19, Sections 1 and 2.							
Emergency Haying/Grazing	See 2-CRP, Part 19, Section 3.							

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4 Record Reduction Page (Continued)

B Information on the Record Reduction Page (Continued)

Section of Page	Field	Description	
Reduction Information (Continued)	Reduction Description (Continued)	Type of Reduction	When to Use
		Unauthorized Uses	Use this reduction reason for the following: <ul style="list-style-type: none"> • violations • unauthorized haying/grazing that is not captured as managed or emergency haying or grazing • unauthorized harvesting.
		Routine Grazing	Use this reduction reason for the following: <ul style="list-style-type: none"> • routine grazing • incidental grazing • permissive grazing. <p>Note: See 2-CRP, Part 19, Section 4.</p>
		The following options are provided in the software because the regulations at 7 CFR Part 1410 specify a reduction may be applicable. However, 2-CRP currently does not require a payment reduction for these reasons. The following options shall only be used if the related policy requires their applicability: <ul style="list-style-type: none"> • Spot Grazing • Prescribed Grazing • Forestry Maintenance • Sale of Carbon or Other Credits • Wind Turbines. 	
Amount	Amount recorded on CRP-117 or CRP-118, as applicable, for the specified reason for the payment reduction. The following are applicable to amounts recorded: <ul style="list-style-type: none"> • total of all reductions cannot exceed the producer's contract-level payment amount • payment reduction amounts shall be recorded in whole dollars • each reason can only be selected 1 time. If more than 1 reduction is assessed for the same reason, the amounts should be added together for that reason. 		

4 Record Reduction Page (Continued)

C Page Options

This table describes the options available for recording payment reductions.

Link	Action
Add Reduction	Displays a new set of reduction fields so the payment reduction can be recorded. Each time this button is clicked, new “Reduction Description” and “Amount” fields will be displayed.
Back	Returns to the previous page.
Add	Adds the payment reduction information to the Conservation Payment System database. Note: If this option is not selected after the reduction description and amount are recorded, the reduction information is not saved.
Update	This option is only displayed after a payment reduction has been added. Use this option to modify payment reductions that were previously recorded.
Delete	Use this option to delete a payment reduction that was recorded in error.

D Page Error Messages

The following error messages may be displayed on the Record Reduction Page if the data recorded does **not** meet the applicable validations.

Error Message	Description	Corrective Action
Reduction amount is required and must be greater than zero	An amount was not recorded for the payment reduction.	An amount, in whole dollars, must be entered for the specified reason. Take either of the following actions: <ul style="list-style-type: none"> re-enter the dollar amount change the reason for the reduction if incorrect.
Reduction amount must be whole dollars	The amount recorded includes dollars and cents.	
Reduction type is required	The amount of the reduction may have recorded, but the reason for the reduction was not selected.	Select the reason for the payment reduction from the drop-down list.
Sum of reduction amounts cannot be greater than payment amount	The total of all reductions exceeds the producer’s contract payment amount.	The total of all reductions are limited to what the producer is actually earning for the contract. Take either of the following actions: <ul style="list-style-type: none"> if incorrect, correct the amount recorded recompute the payment reduction amount according to 2-CRP.

5 Manually Processing Repayment Amounts

A Producer Opting to Pay Reduction Amounts

If a producer chooses to pay the amount assessed for the payment reduction upfront instead of taking a reduced annual rental payment, County Offices shall:

- ensure that the payment reduction amount is **not** recorded in the web-based Conservation Payment System
- establish manual receivables in NRRS to pay the assessed payment reduction amount upfront
- apply the payment provided by the producer to the established receivable in NRRS.

This table identifies the program codes that shall be used to establish receivables, if the producer elects to pay the assessed payment reduction upfront.

Program	Program Code	Primary Reference Number
Refund of Haying and Grazing	XXHAYGRAZ	Contract Number
Refund of Managed Haying Grazing	XXMANHAYGRZ	Contract Number
Refund of Reductions for Unauthorized Use	XXCRPFRED	Contract Number

B Overcollection of CRP Reduction

If a CRP reduction was established as a manual receivable in NRRS and paid by the CRP participant, or paid by a third party on the CRP participant’s behalf, and it is later determined the producer paid too much, County Offices shall issue a refund to the CRP participant using the Online Payment Process. Use the same program code that was used in the receivable establishment. See 1-FI, paragraph 64 and Exhibit 7, subparagraph C for issuing the refund.

C Undercollection of CRP Reduction

If a CRP reduction was established as a manual receivable in NRRS, and paid by the CRP participant, but it was later determined that an additional amount is due:

- record the additional amount of the reduction according to paragraph 4 if the producer does **not** pay the additional amount before October 1, 2013
- establish another receivable according to subparagraph A for the additional amount if the producer elects to pay the additional assessment.

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6 Action

A State Office Action

State Offices shall ensure that County Offices are immediately informed and follow procedure contained in this notice.

B County Office Action

County Offices shall ensure that all payment reductions are recorded according to this notice in the web-based payment reduction software before October 1, 2013, to ensure that 2013 annual rental payments are processed correctly.