

For: Florida State Office and Service Centers

Overpayment Processing for Florida Disaster Programs (FDP's)

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notice DAP-207 provides policy and procedure for processing payments for the following:

- Florida Citrus Disaster Program
- Florida Nursery Crop Disaster Program
- Florida Vegetable and Tropical Fruit Disaster Program.

B Purpose

This notice provides the following:

- information on the FDP overpayment processes for the following:
 - Florida Citrus Disaster Program
 - Florida Nursery Crop Disaster Program
 - Florida Vegetable and Tropical Fruit Disaster Program
- instructions for computing and transferring overpayments to the Common Receivable System (CRS)
- instructions for canceling overpayments erroneously transferred to CRS
- procedure for reviewing and retaining overpayment registers.

Note: Software will be transmitted to Florida County Offices on or about January 10, 2005.

Disposal Date	Distribution
October 1, 2005	Florida State Office; State Office relay to Service Centers

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2 General Provisions

A Introduction

The automated FDP overpayment processes are integrated processes that read a wide range of files to determine whether payments issued to a producer were earned in full or in part.

The process for determining overpayments is similar to that used for computing payments. See Notice DAP-207 for additional information on the process for computing payment amounts.

B Running the Overpayment Process

Overpayments may be calculated at any time for any of the three FDP's. However, the same file is used regardless of which overpayment process is run. As a result, any overpayments for 1 of the programs that are not resolved before overpayments are computed for another program will be lost until the process is run again.

Example: On Monday, the County Office computes overpayments for the Florida Citrus Disaster Program and 2 producers are listed as overpaid. No action is taken to rectify these overpayments.

On Tuesday, the County Office computes overpayments for the Florida Nursery Crop Disaster Program. The overpayments listed on the Florida Citrus Disaster Program overpayment register are no longer available to transfer to CRS. To transfer the Florida Citrus Disaster Program overpayments to CRS, the Florida Citrus Disaster Program overpayments must be recomputed.

C Required Processing

Overpayments shall be calculated at least once every 60 calendar days to ensure that:

- producers are timely notified of overpayments
- the finality rule will not apply.

D Collecting Overpayments

County Offices shall take necessary action to collect overpayments **immediately** upon determining that a legitimate overpayment exists. **Before** an overpayment is transferred to CRS, County Offices shall either:

- verify that the debt is actually owed to CCC
- correct the condition causing the overpayment if the overpayment is not legitimate.

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2 General Provisions (Continued)

E Overpayments Less Than \$25

For overpayment amounts less than \$25, County Offices shall transfer the overpayment to CRS according to this notice. If the receivable amount is:

- less than \$10, follow 67-FI, Part 8 to perform a small balance write-off
- \$10 or greater but less than \$25, notify the producer of the debt according to 67-FI. If the debt is not repaid within 60 calendar days, transfer the receivable to the claims system according to 67-FI, Part 6. Process the claim according to 58-FI, paragraph 114.

3 Charging Interest

A Introduction

Interest shall be charged on all FDP overpayments to producers who become ineligible after the producer's application was approved and the payment was issued.

B Ineligible Producers

A producer is considered ineligible if:

- COC determines that the producer:
 - erroneously or fraudulently represented any fact affecting a determination
 - knowingly adopted a scheme or device that tends to defeat the purposes of the program
 - misrepresented their interest and subsequently received a FDP payment
- the producer did not meet commensurate contribution requirements for "person"
- the producer does not meet adjusted gross income (AGI) requirements
- conservation compliance provisions are violated
- controlled substance provisions are violated.

Interest for ineligible producers shall be charged from the date of disbursement. The system will compute this interest when the overpayment is transferred to CRS.

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3 Charging Interest (Continued)

C When Not to Charge Interest

Interest shall **not** be charged if the producer:

- is not determined to be ineligible as defined in subparagraph B
- returns CCC-184 without being cashed
- refunds the payment voluntarily.

4 Debt Basis Codes

A Introduction

The debt basis code is the code transferred to CRS that identifies the reason for the debt. The system will default to the appropriate code coinciding with the message printed on the overpayment register. Under certain conditions, the displayed debt basis code may be changed. However, it is important that the debt basis code transferred to CRS is correct for tracking purposes.

B Overpayments Found as Result of Audits

If an overpayment is discovered as the result of an audit, the first 2 digits of the debt basis code shall be changed to “19”. The system will then require that the audit number that identified the overpayment be entered in the “Audit No.” field.

C Allowable Basis Codes

The appropriate debt basis code will be displayed based on the condition that caused the overpayment, however, in some cases the code displayed should be changed to:

- “10-421” if the producer did not comply with program requirements
- “10-423” for fraud, scheme, or device.

The following table identifies the system-displayed debt basis codes and specifies whether the code can be changed.

IF the overpayment message is...	THEN the system will default the basis code to...	AND the debt basis code...
related to an eligibility determination	10-427	can be changed.
“Payment Limitation Exceeded”	10-426	cannot be changed.
“Prior Payments Exceed Current Payments”	10-428	can be changed.
“Found on Payment History Only”	10-429	can be changed.

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4 Debt Basis Codes (Continued)

D Interest Information

The following interest information must be recorded if the debt basis code is “10-421”, “10-423”, “10-427”, “19-421”, “19-423”, or “19-427”:

- interest start date should be the date of the original FDP disbursement
- interest rate:
 - must be greater than 0 and less than 25.001
 - should be the applicable late payment interest rate in effect on the date the original payment was disbursed. See 50-FI for interest rates.

5 FDP Overpayment Processing

A Accessing Payment Processing Menus

FDP payment and overpayment processing options are accessed from Florida Disaster Program Selection Menu MHM0YR. Access each of the applicable FDP overpayment processes according to the following table.

Step	Menu or Screen	Action		Result
1	FAX250	ENTER “3” or “4”, “Application Processing”, as applicable.		Menu FAX09002 will be displayed.
2	FAX09002	If option 4 was selected on Menu FAX250, then select the appropriate county.		Menu FAX07001 will be displayed.
3	FAX07001	ENTER “11”, “PFC/DCP/Compliance”.		Menu M00000 will be displayed.
4	M00000	ENTER “1”, “NAP and Disaster”.		Menu MH0000 will be displayed.
5	MH0000	ENTER “13”, “Florida Disaster Programs”.		Menu MHM0YR will be displayed.
6	MHM0YR	TO access...	THEN ENTER...	
		Florida Citrus Disaster Program payment processes	“1”, “Florida Citrus Disaster Program”.	Menu MHAW00 will be displayed.
		Florida Nursery Crop Disaster Program payment processes	“2”, “Florida Nursery Disaster Program”.	Menu MHAU00 will be displayed.
		Florida Vegetable and Tropical Fruit Disaster Program payment processes	“3”, “Florida Vegetable and Tropical Fruit Disaster Program”.	Menu MHAV00 will be displayed.

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5 FDP Overpayment Processing (Continued)

B Processing Florida Citrus Overpayments

County Offices shall compute Florida Citrus Disaster Program overpayments according to the following.

Step	Action	Result
1	Access Menu MHAW00 according to subparagraph A.	
2	ENTER "2", "Payment Process", and PRESS "Enter".	Menu MHAWN0 will be displayed.
3	ENTER "3", "Overpayment Processing", and PRESS "Enter".	Menu MHAWO2 will be displayed.
4	ENTER "1", "Compute Overpayments" and PRESS "Enter".	Screen MHAWPRT2 will be displayed.
5	<p>Screen MHAWPRT2 allows the user to select the printer where the overpayment register should be sent after overpayment amounts have been computed.</p> <ul style="list-style-type: none"> • Enter the printer ID number. • PRESS "Enter". 	<p>Screen MHAWO2 will be redisplayed when the process is completed and the overpayment register will be sent to the selected printer.</p> <p>Note: The system will compute overpayments for all applications for the selected program. A process to compute overpayments by producer is not provided.</p>

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5 FDP Overpayment Processing (Continued)

C Transferring Overpayment Amounts to CRS

Before any overpayment is transferred to CRS, County Offices shall verify that the overpayment amount listed on the overpayment register is actually a debt due by the producer. If it is determined that the overpayment is **not** a legitimate overpayment, County Offices shall correct condition causing the producer to be erroneously listed on the overpayment register to ensure that the overpayment is not inadvertently transferred to CRS.

Once it has been determined that the producer is actually overpaid and that a receivable should be established, County Offices shall transfer the overpayment to CRS according to the following table.

Step	Action	Result
1	Access Menu MHAW00 according to subparagraph A.	
2	ENTER "2", "Payment Process", and PRESS "Enter".	Menu MHAWN0 will be displayed.
3	ENTER "3", "Overpayment Processing", and PRESS "Enter".	Menu MHAWO2 will be displayed.
4	ENTER "3", "Transfer Overpayments to CRS", and PRESS "Enter".	Screen MHAWOE02 will be displayed. Note: The message, "The current overpayment file does not contain records for Nursery. Please compute overpayments for Nursery prior to taking this option" will be displayed if there are not any calculated overpayments on the overpayment file", will be displayed.
Screen MHAWOE02 allows users to select exactly which overpayments should be transferred to CRS.		
	IF the user wants to...	THEN...
	continue with the transfer process	<ul style="list-style-type: none"> • ENTER "X" in the "Sel" column next to each overpayment that should be transferred to CRS • PRESS "Cmd5".
	end the process without transferring the overpayments to CRS	PRESS "Cmd7".
		Screen MHAWOF01 will be displayed for each overpayment amount selected for transfer to CRS. Note: If the producer is a joint operation, Screen MHAWOF01 will be displayed for: <ul style="list-style-type: none"> • each member of the joint operation that is in an overpayment condition • the joint operation.
		Menu MHAWO2 will be redisplayed.

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5 FDP Overpayment Processing (Continued)

C Transferring Overpayment Amounts to CRS (Continued)

Step	Action		Result	
5	Screen MHAWOF01 will be displayed for each selected overpayment. Users have the following options: <ul style="list-style-type: none"> • skipping the overpayment without transferring it to CRS • transferring the calculated data to CRS, as is • adjusting data displayed for the overpayment before the data is transferred to CRS. <p>Note: Depending on the type of overpayment, County Offices can adjust some of the data displayed on Screen MHAWOF01. See 5-DAP, paragraph 309 for a field-by-field explanation of what data can be adjusted.</p>			
	IF the user wants to...	THEN...		
	<ul style="list-style-type: none"> • transfer the data to CRS, as it is displayed • adjust the data before transferring the overpayment to CRS 	<ul style="list-style-type: none"> • adjust the data, if necessary • PRESS “Enter” to display the next overpayment record. 	IF...	THEN...
			there are additional overpayment records that were selected on Screen MHAWOE01	Screen MHAWOF01 will be redisplayed each time “Enter” is pressed.
			all overpayment records have been processed	<ul style="list-style-type: none"> • PRESS “Cmd5” to transfer the overpayment records to CRS • Screen MHAWON01 will be displayed.
	skip the displayed overpayment record	PRESS “Cmd2”.	Screen MHAWOF01 will be redisplayed with data for the next overpayment record.	
	end the process without transferring any overpayments to CRS	PRESS “Cmd7”.	Menu MHAWO2 will be redisplayed.	
6	Screen MHAWON01 will be displayed for the overpayments processed on Screen MHAWOF01. Overpayments are sorted into the “B” and “O” overpayment batches. See 5-DAP, paragraph 310 for a complete description of the payment batches. On Screen MHAWON01, do either of the following.			
	IF the user wants to...	THEN ENTER...		
	complete the overpayment transfer process for either of the payment batches	“Y” next to the overpayment batch to be processed.	The payables are passed through the accounting interface for processing. Complete the overpayment process and print the notification letter according to 67-FI.	
	suspend the overpayment batch for later processing	“N” next to any of the overpayment batches.	Menu MHAWO2 will be redisplayed.	

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5 FDP Overpayment Processing (Continued)

D Canceling Overpayments/Receivables

If it is discovered that an overpayment has been transferred to CRS erroneously, the receivable cannot be canceled until subsequent transactions, such as collections applied to the receivable, have been canceled in CRS.

Note: See 67-FI for additional information regarding deleting receivable collections.

If an error is determined, the receivable shall be canceled by accessing Menu MHAWO2, option 4, "Cancel Overpayments".

Cancel erroneous receivables according to the following table.

Step	Action	Result	
1	Access Menu MHAW00 according to subparagraph A.		
2	ENTER "2", "Payment Process", and PRESS "Enter".	Menu MHAWN0 will be displayed.	
3	ENTER "3", "Overpayment Processing", and PRESS "Enter".	Menu MHAWO2 will be displayed.	
4	ENTER "4", "Cancel Overpayments", and PRESS "Enter".	Screen MHAWNA02 will be displayed.	
5	Screen MHAWNA02 requires the user to enter specific data about the receivable to be canceled. See 5-DAP, paragraph 312 for additional information.		
	IF the user wants to...	THEN...	
	continue with the receivable cancellation	<ul style="list-style-type: none"> • enter the following data: <ul style="list-style-type: none"> • producer's ID number and type, last 4 digits of the producer's ID number, or the producer's last name • transaction number for the receivable to be canceled • PRESS "Enter". 	If there is a receivable record on the payment history file that matches the criteria entered, Screen MHAWNS01 will be displayed.
	end processing without canceling the overpayment	PRESS "Cmd3".	Menu MHAWO2 will be redisplayed.

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5 FDP Overpayment Processing (Continued)

D Canceling Overpayments/Receivables (Continued)

Step	Action	Result	
6	Screen MHAWNS01 provides users with information about the receivable being canceled, including: <ul style="list-style-type: none"> • producer name and ID number and type • transaction number for the overpayment being canceled • date the receivable was transferred to CRS • net receivable amount. 		
	IF the user wants to...	THEN...	
	cancel a displayed receivable	<ul style="list-style-type: none"> • ENTER “X” in the “SEL” field next to the receivable for cancellation • PRESS “Cmd5” to cancel the receivable. 	The receivable will be canceled and Menu MHAWO2 will be redisplayed.
	end without canceling	PRESS “Cmd7”.	Menu MHAWO2 will be redisplayed.

E Processing Florida Nursery Crop Disaster Program Overpayments

With the exception of computing the overpayment amount, the Florida Nursery Crop Disaster Program overpayment processes function in the same manner described for the Florida Citrus Disaster Program in subparagraphs B through D.

Additionally, menu and screen names are prefixed with “MHAU” instead of “MHAW”. Otherwise the menus and screens are formatted exactly like those used for the Florida Citrus Disaster Program.

County Offices shall:

- access the Florida Nursery Crop Disaster Program according to subparagraph A
- follow the procedure in subparagraph 4 B to compute Florida Nursery Crop Disaster Program overpayments
- follow the procedure in subparagraph 4 C to transfer overpayments to CRS
- follow the procedure in subparagraph 4 D to cancel overpayments.

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5 FDP Overpayment Processing (Continued)

F Processing Florida Vegetable and Tropical Fruit Disaster Program Overpayments

With the exception of computing the overpayment amount, the Florida Vegetable and Tropical Fruit Disaster Program payment and cancellation processes function in the same manner as described for Florida Citrus Disaster Program in subparagraphs B through D.

Additionally, menu and screen names are prefixed with “MHAV” instead of “MHAW”. Otherwise the menu and screen are formatted exactly like those used for Florida Citrus Disaster Program.

County Offices shall:

- access the Florida Vegetable and Tropical Fruit Disaster Program according to subparagraph A
- follow the procedure in subparagraph 4 B to compute overpayments
- follow the procedure in subparagraph 4 C to transfer overpayments to CRS
- follow the procedure in subparagraph 4 D to cancel overpayments.

6 Overpayment Register

A About the Overpayment Register

When overpayments are computed, an overpayment register is printed that includes information for each producer that is overpaid. This register informs County Offices of the reason the overpayment has been calculated and the amount of the overpayment.

Note: An overpayment register will be printed even if none of the producers in the selected batch are overpaid. In this case, the message, “No Overpayments Found for Selected Producers”, will be printed on the overpayment register.

5-DAP contains information on messages that may be printed on the overpayment register. See 5-DAP, paragraphs 226 and 336 for additional information on specific messages printed on the overpayment registers.

B Reviewing the Overpayment Register

County Offices shall timely review the overpayment register to ensure that:

- producers are timely notified of overpayments
- the finality rule will not apply.

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6 Overpayment Register (Continued)

C DD Review

DD's shall review the overpayment register to ensure that County Offices are:

- running the overpayment process regularly
- transferring legitimate debts to CRS timely
- collecting overpayments in a timely manner
- correcting information that creates an erroneous overpayment condition.

D Register Retention

County Offices shall retain copies of FDP overpayment registers for 1 year from the date the overpayment register is prepared.

E Reprinting the Overpayment Register

The overpayment register for the most recent computations can be reprinted by accessing option 2, "Reprint Overpayment Register", on the following:

- Menu MHAWO2 for the Florida Citrus Disaster Program
- Menu MHAUO2 for the Florida Nursery Crop Disaster Program
- Menu MHAVO2 for the Florida Vegetable and Tropical Fruit Disaster Program.