

For: AL, AR, FL, LA, MS, NC, SC, TN, and TX State and County Offices

Hurricanes Disaster Program Linkage Noncompliance Report

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Hurricanes Disaster Program linkage applies to producers who were **not** insured by Federal crop insurance or covered by NAP at the time of the disaster.

If linkage is applicable (the crop was **not** covered by insurance or NAP at the time of the disaster), the producer was required to obtain Federal crop insurance at the CAT level or above for the next available crop year on all crops for which disaster benefits were received. NAP coverage must be obtained if crop insurance is **not** available.

The Hurricanes Disaster Program Linkage Noncompliance Report will be provided as an Excel spreadsheet that provides the following:

- a list of all uninsured producers who received a Hurricanes Disaster Program payment
- the insurance status for each producer.

B Purpose

This notice provides instructions for using the Hurricanes Disaster Program Linkage Noncompliance Report as a basis for compliance determinations for Hurricanes Disaster Program participants.

Disposal Date	Distribution
December 1, 2008	Above State Offices; State Offices relay to County Offices

Notice DAP-291

2 Accessing the Hurricanes Disaster Program Linkage Noncompliance Report

A Accessing the Report

The Excel spreadsheet containing the list of producers who received an uninsured Hurricanes Disaster Program payment shall be accessed according to the following table.

Step	Action
1	Open Internet Explorer.
2	ENTER http://dc.ffasintranet.usda.gov/farmbill/ccc/default.htm on the address line and PRESS "Enter".
3	CLICK "Hurricanes Disaster Program Linkage Report".

B Reading the Report

The Hurricanes Disaster Program Linkage Noncompliance Report identifies all uninsured producers who received a Hurricanes Disaster Program payment with the insurance status for each producer. The report lists the following:

- State code
- county code
- program indicator
- producer name
- uncovered payment amount
- 2007 coverage
- 2008 coverage
- 2009 coverage (insurance only).

C Example of the Hurricanes Disaster Program Linkage Noncompliance Report

Following is an example of the Hurricanes Disaster Program Linkage Noncompliance Report.

State Code	County Code	Program Indicator N=Nursery C=Citrus P=Veg & Fruit	Producer Name	Uncovered Payment Amount	2007 Coverage	2008 Coverage	2009 Coverage (Insurance only)
01	001	N	John Doe	1,111.00	NAP		
01	001	C	Bill Jones	2,222.00			INS
01	001	P	James Smith	3,333.00			

3 Linkage Exceptions

A Reviewing Report for Potential Exceptions

County Offices shall:

- review the list of producers on the Hurricanes Disaster Program Linkage Noncompliance Report
- annotate those producers who appear on the report who are in compliance with the linkage requirements because any of the following apply:
 - crop was **not** eligible for either crop insurance or NAP coverage
 - producer obtained crop insurance or NAP coverage on all crops that received benefits in the required linkage year
 - crop insurance sales closing date or NAP application closing date had passed for the 2007 or 2008 crop year, as applicable
 - producer did **not** plant 1 or more of the crops that received benefits during the crop year for which linkage applies

Note: See subparagraph C for additional information.

- producer has already refunded the full amount of the Hurricanes Disaster Program payment to the County Office
- producer is no longer farming
- producer is no longer farming as the entity listed on the report.

B Crop Cannot Be Covered

In some County Offices, neither crop insurance nor NAP coverage can be obtained for specific crops. If the crop to which linkage applies meets this exception, the linkage requirement will be considered to have been met for that crop for the applicable crop year; however, all other crops for which Hurricanes Disaster Program benefits were received must be insured or covered by NAP to meet the full linkage requirement.

3 Linkage Exceptions (Continued)

C Producer Obtained Coverage on the Crop

The Hurricanes Disaster Program Linkage Noncompliance Report:

- is a tool to assist County Offices with determining whether producers met the Hurricanes Disaster Program linkage requirement
- provides a list of all producers who received uninsured Hurricanes Disaster Program benefits.

As a result, it is possible that producers may have obtained the required coverage, but are still listed on the report. County Offices shall follow instructions in paragraph 4 to determine whether a listed producer has met the linkage requirement.

D Crop Insurance Sales Closing Date or Application Closing Date for NAP Had Passed

The following table provides guidance on the insurance purchase requirements.

If the sales closing date for crop insurance or the application closing date for NAP for...	THEN the producer was required to obtain coverage for the...
the 2007 crop year had passed on the date that the producer applied for Hurricanes Disaster Program benefits	2008 crop year.
both the 2007 and 2008 crop year had passed on the date that the producer applied for Hurricanes Disaster Program benefits	2009 crop year.

E Producer Did Not Plant the Crop

If a producer did **not** plant a crop during the year for which linkage applies, the linkage requirement will be considered to have been met for that crop for the applicable crop year.

Examples: The producer received Hurricanes Vegetable and Fruit Disaster Program benefits. The producer did **not** plant the vegetable crop in 2007 or 2008. At the time the producer applied for Hurricanes Vegetable and Fruit Disaster Program benefits, coverage was still available for the 2007 crop year. In this example, the linkage requirement applies to the 2007 crop year; therefore, the linkage requirement was met because the producer did **not** plant the vegetable crop in the 2007 crop year.

Notice DAP-291

3 Linkage Exceptions (Continued)

E Producer Did Not Plant the Crop (Continued)

The producer received Hurricanes Nursery Crop Disaster Program benefits. The producer planted the nursery crop in 2007, but did **not** plant the nursery crop in 2008. At the time the producer applied for Hurricanes Nursery Crop Disaster Program benefits, coverage was still available for the 2007 crop year. The producer did **not** obtain coverage on the nursery crop for 2007. In this example, the linkage requirement applies to the 2007 crop year; therefore, the linkage requirement was **not** met because the producer planted the nursery crop in 2007, but did **not** obtain coverage.

The linkage certification provided in Exhibit 1 shall be completed if the producer did **not** plant a crop for which Hurricanes Disaster Program benefits were received in the year for which linkage applies.

Note: If FSA-578 is on file that accounts for all cropland on the farm and/or unit, a linkage certification is **not** required.

F Producer Who Previously Refunded Hurricanes Disaster Program Payment

Producers who previously refunded their Hurricanes Disaster Program payment shall **not** be considered out of compliance with linkage requirements.

G Producer Is No Longer Farming

Producers who completely ceased farming or ceased farming as the entity listed on the report as of the 2007 crop year shall **not** be considered out of compliance with linkage requirements.

4 County Office Action

A Determining Proper Action

After reviewing the report, County Offices shall take action according to the following table.

Step	Action
1	Determine the program for which each producer applied. Note: The "Program Indicator" column provides the program for which each producer applied.
2	Review the program application for each producer listed on the report to determine the crop year for which linkage was required. This is determined based on the application date.

Notice DAP-291

4 County Office Action (Continued)

A Determining Proper Action (Continued)

Step	Action							
3	Review the report to determine whether the producer may have obtained coverage on all crops in the required linkage year.							
	IF the “Year of Coverage” column for the required linkage year...	THEN...						
	is blank	<p>mail the producer both of the following:</p> <ul style="list-style-type: none"> • a notification letter informing the producer of the linkage requirement and that no record exists that indicates insurance or NAP coverage was purchased for the required year <p>Note: Use the suggested format in Exhibit 2.</p> <ul style="list-style-type: none"> • linkage certification. This will allow the producer to indicate that a crop was not planted in the required linkage year. <p>Note: Use the suggested format in Exhibit 1.</p> <p>The notification letter and linkage certification shall be mailed by October 31, 2008.</p>						
	contains “NAP”	<ul style="list-style-type: none"> • review FSA-578 to determine the crops for which the producer applied for a Hurricanes Disaster Program payment • review the producer’s CCC-471 to determine whether all of the crops were covered by NAP. <table border="1" data-bbox="639 1245 1481 1413"> <thead> <tr> <th data-bbox="639 1245 967 1281">IF the producer...</th> <th data-bbox="967 1245 1481 1281">THEN...</th> </tr> </thead> <tbody> <tr> <td data-bbox="639 1281 967 1350">obtained NAP coverage on all crops</td> <td data-bbox="967 1281 1481 1350">manually annotate this on the report. No further action is necessary.</td> </tr> <tr> <td data-bbox="639 1350 967 1413">did not obtain NAP coverage on all crops</td> <td data-bbox="967 1350 1481 1413">follow procedure in subparagraph B.</td> </tr> </tbody> </table>	IF the producer...	THEN...	obtained NAP coverage on all crops	manually annotate this on the report. No further action is necessary.	did not obtain NAP coverage on all crops	follow procedure in subparagraph B.
IF the producer...	THEN...							
obtained NAP coverage on all crops	manually annotate this on the report. No further action is necessary.							
did not obtain NAP coverage on all crops	follow procedure in subparagraph B.							
	contains “INS”	<ul style="list-style-type: none"> • review FSA-578 to determine the crops for which linkage applies • mail the producer both of the following: <ul style="list-style-type: none"> • a letter requesting proof of coverage on all crops for which Hurricanes Disaster Program benefits were received <p>Note: Use the suggested format in Exhibit 3.</p> • linkage certification. This will allow the producer to indicate that a crop was not planted in the required linkage year. <p>Note: Use the suggested format in Exhibit 1.</p> <p>The proof of coverage letter and linkage certification shall be mailed by October 31, 2008.</p>						

Notice DAP-291

4 County Office Action (Continued)

A Determining Proper Action (Continued)

Step	Action	
3 (Cntd)	IF the “Year of Coverage” column for the required linkage year...	THEN...
	contains “INS and NAP”	<ul style="list-style-type: none"> • review FSA-578 to determine the crops for which the producer applied for a Hurricanes Disaster Program payment • review the producer’s CCC-471 to determine whether all of the crops were covered by NAP.
	IF the producer...	THEN...
	obtained NAP coverage on all crops	manually annotate this on the report. No further action is necessary.
	did not obtain NAP coverage on all crops	mail the producer both of the following: <ul style="list-style-type: none"> • a letter requesting proof of coverage on all crops for which Hurricanes Disaster Program benefits were received <p align="center">Note: Use the suggested format in Exhibit 3.</p> <ul style="list-style-type: none"> • linkage certification. This will allow the producer to indicate that a crop was not planted in the required linkage year. <p align="center">Note: Use the suggested format in Exhibit 1.</p> <p>The proof of coverage letter and linkage certification shall be mailed by October 31, 2008.</p>

Notice DAP-291

4 County Office Action (Continued)

B Action After Notification and/or Proof of Coverage Letter Is Mailed

County Offices shall use the following table to determine appropriate action after the notification letter and/or proof of coverage letter has been mailed according to subparagraph A.

IF the...	THEN the County Office shall...
producer contacts the County Office within 30 calendar days of the date of the letter and provides proof of any of the exceptions listed in paragraph 3 and/or proof of coverage for all crops receiving benefits	manually annotate this on the report. No further action is necessary.
producer contacts the County Office within 30 calendar days of the date of the letter and notifies the County Office that the linkage requirement was not met and refunds the payment	<ul style="list-style-type: none"> • follow subparagraph C to establish the receivable • apply the collection to the established receivable.
producer contacts the County Office within 30 calendar days of the date of the letter and notifies the County Office that the linkage requirement was not met	<ul style="list-style-type: none"> • follow subparagraph C to establish the receivable
County Office determines that the producer did not obtain the required coverage	<ul style="list-style-type: none"> • notify the producer of the debt.
producer does not contact the County Office within 30 calendar days of the date of the letter	

C Establishing Receivables

County Offices shall use the following table to determine appropriate action if Hurricanes Disaster Program participants do **not** fulfill the linkage requirement.

Step	Action
1	Enter a disapproval date on the original automated Hurricanes Disaster Program application. The disapproval date shall be the day the County Office becomes aware of the violation. Note: Software to reopen the signature/approval process for the 2005 Hurricanes Citrus, Nursery, and Fruit and Vegetable Programs is being transmitted on or about September 9, 2008. Once the signature/approval process is opened, County Offices will have approximately 45 calendar days to complete this process before the menus are closed.
2	Run the overpayment process.
3	Transfer the linkage violation overpayments to the Common Receivable System.
4	Enter the date of the original Crop Disaster Program disbursement as the interest start date.
5	Follow 50-FI, paragraph 30 to determine the applicable interest rate.

Notice DAP-291

4 County Office Action (Continued)

D Acceptable Coverage

To meet linkage requirements, producers must have obtained either or both of the following on **all** crops for which a Hurricanes Disaster Program payment was received:

- Federal crop insurance at the CAT level or above for the next available crop year
- NAP coverage for the next available crop year.

Participants in the Hurricanes Citrus Program will have met the linkage requirements if they obtained Federal crop insurance coverage with either a Citrus Fruit policy or a Fruit Tree policy.

Example of Linkage Certification

Linkage Certification

During the _____ crop year, in _____ County, I did not plant any of the following crops for which a Hurricanes Disaster Program payment was received.

Print Name of Producer receiving payments under Hurricanes Disaster Program

Signature of Producer
or authorized agent

Date

Example of Notification Letter

United States
Department of
Agriculture

County Office Name and Address

Date:

To: Participants in Hurricanes Disaster Program

Producers who received a Hurricanes Disaster Program payment were required to purchase crop insurance or NAP coverage for the next available crop year on all crops for which benefits were received.

In _____ County, there is no record indicating you purchased the required crop insurance or NAP coverage on the following crops for the _____ crop year.

Noncompliance with the linkage requirement will require that you refund your Hurricanes Disaster Program payment, plus interest.

You must contact the _____ FSA County Office within 30 calendar days from the date of this letter to resolve any differences.

If you did not plant one or more of the crops listed above during the _____ crop year, you may indicate so by signing the attached certification and returning it to the _____ FSA County Office within 30 calendar days from the date of this letter.

Example of Proof of Coverage Letter

United States
Department of
Agriculture

County Office Name and Address

Date:

To: Participants in Hurricanes Disaster Program

Producers who received a Hurricanes Disaster Program payment were required to purchase crop insurance or NAP coverage for the next available crop year on all crops for which benefits were received.

In _____ County, there is a record indicating you purchased crop insurance coverage for the _____ crop year. Coverage was required for the following crop(s):

You must contact the _____ FSA County Office within 30 calendar days from the date of this letter to provide proof of coverage on the above crop(s).

Noncompliance with the linkage requirement will require a refund of your Hurricanes Disaster Program payment, plus interest.

If you did not grow one or more of the crops listed above during the _____ crop year, you may indicate so by signing the attached certification and returning it to the _____ FSA County Office within 30 calendar days from the date of this letter.