

For: State and County Offices

**Issuing Additional 1998 LAP Payments**

Approved by: Acting Deputy Administrator, Farm Programs

**1 Overview**

**A**

**Background**

Under Pub. L. 105-277, \$200 million was appropriated to provide assistance to eligible livestock owners who suffered qualifying feed losses because of natural disaster conditions.

1998 LAP payments were made based on a factor of .2210. An additional \$70 million was allocated for 1998 LAP under Pub. L. 106-31.

**B**

**Purpose**

This notice informs County Offices that:

- an additional \$70 million has been allocated for 1998 LAP
- a new factor of .3000 will be transmitted from KCMO
- the LAP payment history file must be updated with receivable amounts established in the common receivable system (CRS)
- the additional LAP payments shall be issued beginning June 28.

<b>Disposal Date</b>	<b>Distribution</b>
October 1, 1999	State Offices; State Offices relay to County Offices

## Notice DAP-40

### 2 Issuing Additional Payments

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#### A

#### **Additional Payment**

An additional \$70 million has been appropriated under Pub. L. 106-31 to pay 1998 LAP qualifying producers an additional payment, not to exceed the \$40,000 payment limitation.

To issue the additional payment amounts to qualifying producers, County Offices shall:

- receive the factor that will be transmitted from KCMO on or about June 24, 1999
  - ensure that receivable amounts are recorded in both CRS and the LAP payment history file.
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#### B

#### **Importance of Updating the Payment History File**

For the system to accurately calculate payment amounts, the LAP payment history file must be updated to reflect receivables established in CRS.

Use Option 3, "Record Established Receivables", on Menu MHANP0 to update the LAP payment history file with established receivable amounts. See 1-DAP, paragraph 764.

When the receivable is recorded and updated in the LAP payment history file, the payments received by the producer will be reduced by the amount of the LAP receivable established.

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**Notice DAP-40**

**2 Issuing Additional Payments (Continued)**

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**C**

**System Process**      This table describes the action that will occur in the system when County Offices process the additional 1998 LAP payments.

<b>Stage</b>	<b>System</b>
1	Retrieve the net covered amount from the LAP application share file.
2	Calculate the payment by multiplying the following: <ul style="list-style-type: none"><li>• payment factor of .3000 from the payment rate file</li><li>• net cover loss amount.</li></ul>
3	Determine prior payments already issued to the producer for the application.  <b>Note:</b> Receivable amounts will reduce prior payment amounts when they are recorded in the LAP payment history file according to 1-DAP, paragraph 764.
4	Subtract prior payments.
5	Calculate payment amount.

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## Notice DAP-40

### 3 County Office Action

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#### A

#### Action Required

To ensure that the additional LAP payments are issued correctly, County Offices shall:

- obtain a copy of the Receivable Establishment Verification Report that was generated in CRS when the receivable was established
- ensure that the receivable amounts established in CRS are recorded in the LAP payment history file according to 1-DAP, paragraph 764
- ensure that the payment factor has been received from KCMO

**Note:** The new payment factor will be transmitted from KCMO on or about June 24, 1999.

- ensure that applications have been corrected, (that is, overpayments, underpayments) before additional payments are processed
- ensure that applications that are ineligible have been flagged as "N" on Screen MHANL701, according to 1-DAP, subparagraphs 730 C and D

**Note:** Anytime an application is accessed, the user must press "Cmd5" on each screen to update the application in addition to updating the COC approval date. Refer to 1-DAP, paragraph 735.

- print and review reports according to 1-DAP, Part 7, Section 3
- issue the additional payments to qualifying producers according to 1-DAP, paragraph 762.

**Notes:** Authorization codes are **not** required to issue additional payment.

Before issuing payments, review all payments to ensure that all receivables have been recorded in both CRS and the LAP history file.

**Reminder:** Authorization codes must be obtained according to 1-DAP, paragraph 765 to access LAP applications.

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