

For: State and County Offices

Additional Instructions for Handling CLDAP Payments and Overpayments

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

Several situations have been identified that requires County Office user intervention when processing additional CLDAP payments. These include situations for multi-county producers that:

- received a multi-year or single-year payment in 1 county and, because of a change in the producer's most beneficial program determination, are now eligible for a CLDAP payment under the other program in a different county

Note: Notice DAP-45 provided instructions for processing additional payments for producers whose most beneficial program has changed since the May 5, 1999, program upload. However, Notice DAP-45 did not address how to process the additional CLDAP payment if the first payment was issued in another county.

- have a CLDAP overpayment in 1 county but is still eligible to receive a CLDAP payment from another county.

Also, special intervention is required for processing CLDAP payments if producers have more than 1 crop and unit on a CLDAP application but have:

- an overpayment condition for a specific crop and unit because the payments that have been issued are in excess of the earned payment amount for that crop and unit

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<p>Disposal Date</p> <p>January 1, 2000</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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1 Overview (Continued)

A

Background (Continued)

- an underpayment condition on another crop and unit because the entire earned payment for that crop and unit has not been issued.

Reminder: Single-year CLDAP payments and overpayments are computed at the unit, crop, and crop type level, not at the producer level.

The CLDAP payment software is not programmed to read the receivable, claim, or other agency claim flags since offsets are not allowed on disaster payments.

B

Purpose

This notice advises State and County Offices of the process for handling CLDAP payments for:

- producers with a CLDAP overpayment with a debt basis code other than 10-313
 - multi-county producers where the overpayment, and resulting receivable, was established in a county other than the county issuing the additional CLDAP payment.
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2 CLDAP Overpayments and Payment Offset Policy

A

Introduction

1-DAP, paragraph 1008 and Notice FI-2355 provide that CLDAP payments for single-year and multi-year losses shall be issued without regard to administrative offsets. However, offsets can be taken from additional CLDAP payments to satisfy the CLDAP overpayment.

The CLDAP payment software was not programmed to read the receivable, claim, and other Agency claim flags when processing payments to ensure that the payment would be issued to the producer. As a result, special action has to be taken to process additional CLDAP payments to satisfy a CLDAP overpayment.

Exception: The system will automatically offset CLDAP payments if a CLDAP overpayment has been transferred to CRS with a debt basis code of 10-313. See 1-DAP, paragraph 1292.

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2 CLDAP Overpayments and Payment Offset Policy (Continued)

B

Example 1

A producer applied for CLDAP benefits in:

- County A (control county) for a multi-year payment of \$25,000
- County B for a single-year payment of \$17,500.

After the download of the program determination data on May 28, 1999, County A issued the multi-year CLDAP payment to the producer. County B subsequently revised the producer single-year application which resulted in a total single-year payment of \$30,000, making single-year the producer's most beneficial program.

The producer now has:

- overpayment in County A for \$25,000 for multi-year
- underpayment in County B for \$30,000 for single-year.

The overpayment in County A will be transferred to CRS with a debt basis code of 10-313; but, because the applications were filed in different counties, the single-year payment in County B will not be automatically offset to satisfy the multi-year receivable.

As a result, County B must:

- mail a portion of the single-year payment, payable to CCC, to County A so the receivable can be satisfied
- issue the balance of the payment to the producer.

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2 CLDAP Overpayments and Payment Offset Policy (Continued)

C

Example 2

Producer applied for single-year benefits on wheat, corn, and grain sorghum. Single-year was determined to be the producer's most beneficial program, and the single-year payment was issued to the producer.

After the payment was issued, a determination was made that the data downloaded for corn and grain sorghum was in error resulting in the following after CCC-540A for each crop was revised:

- an overpayment on corn
- an underpayment on grain sorghum.

In this case, the overpayment on corn will be transferred to CRS with a debt basis code of 10-428 because the payments issued exceed the calculated earned payment for the producer on corn. Automatic offsets are not taken for any CLDAP receivable except those with a 10-313 debt basis code, so the additional payment on grain sorghum will not be automatically offset to satisfy the corn overpayment. As a result, action must be taken by the County Office to issue:

- the grain sorghum payment payable to CCC so it can be used to satisfy the corn overpayment
 - the remainder, if any, of the grain sorghum payment to the producer.
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3 Processing Payments for Producers with CLDAP Overpayments

A

**County Office
Action**

The process for issuing additional CLDAP payments and satisfying CLDAP receivables is a 2-step process:

- issuing a CCC-184 payable to CCC
- satisfying all or a portion of the established receivable.

County Offices shall take the following steps to issue additional CLDAP payments to producers that also have a CLDAP overpayment in:

- another County Office
- the same county that is issuing the CLDAP payment, but the receivable has a debt basis code of something other than 10-313.

Step	Action
1	<p>Ensure that the CLDAP overpayment has been transferred to CRS.</p> <p>A notification letter will be printed unless the debt basis code is 10-313. Do not mail the notification letter that is generated when the receivable is initially established if the producer has an additional CLDAP payment to be issued. If the additional payment will not fully satisfy the receivable, then a manual notification letter shall be prepared with the actual amount of the receivable after all CLDAP payments have been offset to satisfy the debt.</p> <p>Note: Overpayments that result from program determination changes are transferred to CRS with a debt basis code of 10-313 and an initial notification letter is not printed. County Offices shall not notify producers of this type of debt.</p>
2	<p>Change the bankruptcy flag in the name and address file to “Y”. This will ensure that the additional payment is sent through the “O” payment batch.</p>
3	<p>Process the CLDAP payment in the normal manner according to 1-DAP, paragraph 1265.</p>

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3 Processing Payments for Producers with CLDAP Overpayments (Continued)

A
County Office
Action
(Continued)

Step	Action	
4	On Screen ABK10001, enter the lesser of the following in the “Enter amount due Other Payee” field: <ul style="list-style-type: none"> • amount of the receivable • amount of the payment being issued. 	
	IF the additional payment amount is...	THEN...
	greater than the receivable	<ul style="list-style-type: none"> • CCC-184 will be issued to CCC for the amount entered in the “Enter amount due Other Payee” field • CCC-184 or EFT transmission record will be issued to the producer for the balance of the additional payment.
	less than the receivable	CCC-184 will be issued to CCC for the amount entered in the “Enter amount due Other Payee” field.
5	If a balance CCC-184 or EFT transmission record was generated for the producer, immediately issue the payment to the producer.	
6	Reset the bankruptcy flag in the name and address file to “N”.	
7	IF the CLDAP overpayment is...	THEN...
	in the same county that is issuing the CLDAP payment	go to step 8.
	in a different county	mail the CCC-184 payable to CCC to the county that has the CLDAP overpayment so the payment can be applied to the receivable.
8	The county with the receivable shall apply the CLDAP payment to the receivable according to 67-FI, Part 5. Reminder: 1-DAP paragraph, 1008 provides provisions that CLDAP payments shall be issued without regard to administrative offset. Offsets cannot be applied to other administrative debts.	