

For: State and County Offices

LAP and LIP Factor and Payments

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Under Pub. L. 106-78, \$200 million was appropriated to provide assistance to producers under LAP and LIP.

Final upload of LAP and LIP payment data to KCMO was March 3, 2000. Because the total net covered losses on all approved applications exceeds \$200 million, a national factor will be applied to each payment.

B

Purpose

For LAP and LIP purposes this notice informs County Offices of:

- the national payment factor
- the date to begin issuing payments
- additional instructions.

| | |
|----------------------|--|
| Disposal Date | Distribution |
| July 1, 2000 | State Offices; State Offices relay to County Offices |

Notice DAP-71

2 LAP and LIP National Payment Factor

A

National Factor The national payment factor is 0.4600.

B

Downloading National Factor The national payment factor will be downloaded to County Offices on Monday, March 13, 2000. An Informational Bulletin will be posted to instruct counties to verify that the member has been received and updated.

3 Payments

A

Issuing Payments Payments shall be issued beginning Tuesday, March 14, 2000.

Refer to 1-DAP

- Part 7, Section 4 for LAP payment processing
- Part 4, Section 2, Subsection 2 for LIP payment processing.

Before running the payment process ensure that:

- a second-party review of **all** LAP payment applications has been conducted and that all applications are initialed in the lower right corner, according to 1-DAP, subparagraph 709 D
- ensure that LIP COC-approved date is entered according to 1-DAP, paragraph 361
- producers whose amount of eligibility is in question, are **not** flagged “YES” for payment
- bankruptcy and assignment flags are set.

Note: A batch process will be run to issue payments.

Notice DAP-71

4 Additional Instructions

A

Canceling Erroneous Payables

After payment processing has been completed, County Offices shall review transaction statements to ensure that correct disbursements have been generated. If an error is determined, the payable shall be canceled according to 1-DAP, paragraphs 375 and 763.

B

Authorization Codes

Authorization codes must be requested to access LAP and LIP application software, according to 1-DAP, paragraphs 353 and 765.

C

Overpayments

County Offices shall not issue any known overpayments. If an overpayment is known, County Offices shall, after receiving the authorization code, take the following action.

| Step | Action |
|-------------|--|
| 1 | Cancel payables according to 1-DAP, paragraphs 375 and 763. |
| 2 | Correct the application according to 1-DAP, paragraphs 375, 733, and 734, as applicable. |
| 3 | Update the approval date according to 1-DAP, paragraphs 361 and 735. |
| 5 | Issue CCC-184 for the correct amount according to 1-DAP, paragraphs 372 and 762. |

Continued on the next page

Notice DAP-71

4 Additional Instructions (Continued)

D

Underpayments

If an underpayment is discovered, County Offices shall, after receiving the authorization code, take the following action.

| Step | Action |
|------|--|
| 1 | Correct the application. Note: Only applications listed on the memorandum to the State Office shall be corrected with the authorization code provided for that memorandum. |
| 2 | Update the approval date according to 1-DAP, paragraphs 361 and 735. |
| 3 | Issue CCC-184 according to 1-DAP, paragraphs 372 and 762. |

E

Offsets

Offsets are not applicable to LAP or LIP. To correct offsets that were made, County Office shall:

- for receivables, follow 67-FI, paragraph 498 to reverse payments
- for claims, follow 64-FI, paragraph 780 to reverse payments.

Note: When running the payment process, bypass producers who have been flagged for setoff by selecting “other payee” for checks. Enter the producer as “other payee”. For direct deposit do not enter any dollar amount, PRESS “Enter” to bypass the direct deposit process and issue a check to the producer.

F

Incorrect ID Number

If the ID number is not correct and payment has not been made, contact the State Office for an authorization code according to subparagraph 3 B. Correct ID numbers according to 1-CM, Part 11, Section 2.

If a payment has been issued to an incorrect ID number or ID type, continue to issue payment to the incorrect number for that program year.

Continued on the next page

Notice DAP-71

4 Additional Instructions (Continued)

G Missed LAP Applications

Any missed LAP applications shall be loaded **after** payments have been issued.

County Offices shall request an authorization code according to subparagraph 4 B.

After receiving the authorization code, County Offices shall:

- enter applications in System 36 according to 1-DAP, Part 7, Section 2
 - send a memorandum to the State Office requesting additional funds
 - include a copy of the computer-generated application in the memorandum to the State Office
 - approve applications according to 1-DAP, paragraph 735
 - issue CCC-184 according to 1-DAP, paragraph 762.
-

H Missed LIP Applications

Any missed LIP applications must request a DAFP-approved access code, according to 1-DAP, subparagraph 353 C, before processing the application. County Office shall notify the State Office of the need for an access code. The State Office shall follow the following procedure:

- prepare a memorandum listing the county and county code for the needed access code, and the date the code is needed for upload

Note: The date the code is needed shall **not** be the same date the request is submitted.

- ensure that the memorandum includes the total **unfactored** dollar amount of applications
 - fax memorandum to PECD, Compliance Branch, Attention: Kim Floehr, at 202-720-4941
 - when the access code is received in the State Office, forward code to the applicable County Office for processing
 - issue CCC-184 according to 1-DAP, paragraph 372.
-

Continued on the next page

Notice DAP-71

4 Additional Instructions (Continued)

I

Producer Refuses Payment If a producer refuses to accept a payment after it has been issued, the County Offices shall follow procedure in 1-DAP, paragraph 766.

5 Other Payment Policies

A

LAP and LIP Reserve PECD shall monitor the reserve by comparing reports from KCMO to authorization code requests and County Office estimates of needed funds after the initial payment cycle.
