

For: State and County Offices

**Updating Direct or Counter-Cyclical (CC) Payment Limitations**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Effective payment limitations for direct payments and CC payments are maintained for each individual and entity that is multi-county. The payment limitations must **not** be exceeded. Amounts for DCP payment limitations are as follows:

- direct payments, covered commodities - \$40,000
- direct payments, peanuts - \$40,000
- CC payments, covered commodities - \$65,000
- CC payments, peanuts - \$65,000.

It has been found that control counties have erroneously de-allocated payment limitations in non-control counties to an amount lower than what the non-control county has already issued in DCP payments.

**B Purpose**

This notice:

- provides information about changing payment limitations for multi-county producers
- reminds County Offices that CCC-738 and CCC-739 shall be used according to 2-PL when changing payment limitation amounts for multi-county producers.

**Note:** Amounts shall **not** be reduced to an amount lower than the payments that have been issued unless the change is to correct an error.

<b>Disposal Date</b>	<b>Distribution</b>
April 1, 2006	State Offices; State Offices relay to County Offices

## Notice DCP-148

### 1 Overview (Continued)

#### C Updating Payment Limitations for Non-Control Counties

Direct and CC overpayments are occurring when control counties have de-allocated payment limitation in non-control counties to an amount lower than what the non-control county has already issued in DCP payments.

Normally, automated software would identify overpayments; however, for processing years that are now non-automated, existing overpayments are **not** being identified by the County Office and manually entered into the common receivable system (CRS) according to 67-FI. Using CCC-738 and CCC-739 as specified in 2-PL will help ensure that overpayments are **not** created because of erroneously reducing payment limitations.

### 2 Action

#### A State Office Action

State Offices shall instruct County Offices to use CCC-738 and CCC-739, as applicable, to ensure that control counties are not de-allocating payment limitations in non-control County Offices to amounts below what the non-control County Office has issued in program payments.

#### B County Office Action

Before updating payment limitations for multi-county producers, control counties shall follow 2-PL, paragraph:

- 105 for using CCC-738
- 106 for using CCC-739

**Important:** Control counties shall request a producer payment history print from the non-control county for the direct or CC program and applicable year before reducing the payment limitation.

Counties shall follow 67-FI and immediately:

- transfer all overpayments to the CRS for automated processing years
- create a receivable in CRS for any overpayment that may have occurred for a non-automated processing year.