

**For:** State Offices and Service Centers

**Electronic Funds Control (eFC) for Automated Direct and Counter-Cyclical (CC) Payments**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

OMB requires all programs, including DCP, to be controlled by e-funds. The e-fund process will:

- be implemented for automated direct and CC payments
- provide real-time funds control.

Software has been developed to:

- control the funding allotments attributed at the county level for each program
- monitor program spending and halt program disbursements when the funding allocation is insufficient or has been exhausted.

**B Purpose**

This notice:

- explains how the process will work
- informs State and County Offices:
  - that automated direct and CC payments are now subject to eFC
  - about National Office contacts for State Office specialists when requesting additional direct or CC program funding
  - that e-funds for automated direct and CC payments will be in effect as of County Release No. 607

<b>Disposal Date</b>	<b>Distribution</b>
February 1, 2008 2-1-07	State Offices; State Offices relay to Service Centers

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### 1 Overview (Continued)

#### B Purpose (Continued)

- requires State Offices to do the following as soon as possible, if not already done:
  - designate no more than 2 State Office contacts to be responsible for the funding allotments attributed at the county level
  - **FAX** the following information for State Office contacts, to the attention of Tina Nemec at 202-720-0051:
    - State Office name
    - designated contact names
    - eAuthentication ID's
    - telephone numbers
    - title of this notice

**Note:** Designees will be unable to access e-funds until eAuthentication has been updated.

- obsoletes Notice DCP-165.

### 2 Direct and CC Payment Processing

#### A Disbursement of Direct and CC Funds

The initial disbursement of funding:

- will be made to each County Office
- was updated at the end of January 2007
- will be allocated based on a determination of direct and CC payments issued from October 1, 2005, to September 30, 2006.

County Offices should contact the appropriate State Office specialist if the Payment Informational Screen or Funds Control Exception Report described in subparagraphs C and D are received when attempting to issue direct or CC payments. The State Office specialist should do either of the following:

- reallocate funds from 1 or more County Offices and allocate those funds to the requesting County Office

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### 2 Direct and CC Payment Processing (Continued)

#### A Disbursement of Direct and CC Funds (Continued)

- contact the National Office to request additional funds, if funds are not available within the existing allocation for the State.

**Note:** The additional funds will be sent from the National Office to the State Office, and the State Office will send the funds to the County Office.

When requesting additional funds, State Office specialists shall e-mail **all** the following National Office contacts:

- Sandy Bryant at **sandy.bryant@wdc.usda.gov**
- Steve Peterson at **steve.peterson@wdc.usda.gov**
- Tina Nemec at **tina.nemec@wdc.usda.gov**
- Lenior Simmons at **lenior.simmons@wdc.usda.gov**.

**Notes:** Before requesting additional funds, State Office specialists shall ensure that funds from other County Offices within the State are distributed equitably according to program activity. The State's allocated funds shall be reallocated **before** submitting requests for additional funds from the National Office reserve.

Requests for additional funds from the National Office reserve shall include a specific amount.

#### B Funds Control Verification

Direct and CC payments will use the e-funds accounting process that controls funding allotments by crop year, monitors program spending, and halts program disbursements when the funding allocation has been exhausted. The payment process will function in the normal manner up to the point of sorting the payables into the applicable payment batches.

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**2 Direct and CC Payment Processing (Continued)**

**B Funds Control Verification (Continued)**

A check will be performed to ensure that adequate funds are available to process all pending payments in the county.

<b>IF the accumulated net payment amount for all pending payments...</b>	<b>THEN...</b>
exceeds the funding allotment for the County Office	<ul style="list-style-type: none"> <li>• the payment process will be aborted without any payables being sorted into applicable batches</li> <li>• a rejected payment report, as described in subparagraph C, will be printed</li> <li>• the County Office can process payments individually, or in smaller batches, for producers or farms unless or until an increased funding allotment is obtained.</li> </ul>
does <b>not</b> exceed the funding allotment for the County Office	the payables will be sorted into the applicable payment batches in the normal manner.

**C Rejected Payment Register**

A Rejected Payment Register will be printed from data on the pending payment file when direct or CC funding is insufficient for the payment batch being processed.

The following is an example of the Rejected Payment Register that will print when the payment process is aborted on the direct or CC program side.

State Name	United States Department of Agriculture	Prepared: 99/99/9999
County Name	Farm Service Agency	Page: XXXX
	Program Name	
	Rejected Payment Register	
Producer Name	Producer ID and Type	Net Payment
XXXXXXXXXXXXXXXXXXXXX	999-99-9999 X	\$999, 999, 999
XXXXXXXXXXXXXXXXXXXXX	99-9999999 X	\$999, 999, 999

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### 2 Direct and CC Payment Processing (Continued)

#### D Funds Control Verification

The following is an example of the informational screen that will be displayed when the funds control verification process fails on the program side.

**Note:** When the user presses “Enter”, the Payment Informational Screen will be displayed.

```

                                     107-TULARE
                                     MESSAGE
Payment Informational Screen          Version: AF36 11/20/2006 Term E0
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                This is a funds controlled program.

The payments being processed did not pass the accounting verification process.
  It is possible that the total amount of the payments being processed exceeds
    the available funding allocation for the county.

      A verification or exception report should print on the system printer
        or is held on the spool file.

      Refer to the applicable program handbook for additional information.

                                Press 'Enter' to Exit

Enter=Continue
```

### 3 State and County Office Action

#### A State Office Action

State Offices shall:

- ensure that County Offices are immediately informed of the contents of this notice
- refer to Notice FI-2748 for instructions on using eFC web application

**Note:** State Office specialists will be notified by e-mail when their login information has been entered in the system.

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### 3 State and County Office Action (Continued)

#### A State Office Action (Continued)

- contact the National Office according to subparagraph 2 A when additional funds have been requested by the County Office and the current funding in the State cannot support the request

**Notes:** State Offices should deallocate funds from 1 or more County Office and allocate those funds to the requesting County Office **before** requesting funds from the National Reserve.

Additional funds will be sent from the National Office to the State Office, and the State Office will send the funds to the County Office.

For State Offices administering County Offices not located within that State, the National Office will send the requested funds directly to the County Office because the administering State Office will **not** have access to the County Office direct funds.

- e-mail the National Office contacts listed in subparagraph 2 A to request additional funds be moved within the State, if the DCP specialist is unable to assist with an intrastate funds transfer.

#### B County Office Action

County Offices shall:

- continue to process direct and CC payments according to 2-DCP
- if the Payment Informational Screen or Funds Control Exception Report is received:
  - contact the State Office to request additional direct or CC funds
  - process payments individually, or in smaller batches, for producers until an increased funding allotment is obtained to complete issuing all payments.