

For: State and County Offices

2009 ACRE/ACRE and 2010 DCP/ACRE Final Direct Payment and Overpayment Processing

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Food, Conservation, and Energy Act of 2008 (the 2008 Act) was enacted into law on June 18, 2008. The 2008 Act authorizes the continuation of DCP for 2008 through September 30, 2012, and provides for the ACRE Program.

B Purpose

This notice advises State and County Offices that:

- 2010 DCP/ACRE final direct payments will be issued through web-based software on or about **October 8, 2010**
- 2010 DCP/ACRE advance direct payments will stop being processed as of September 30, 2010
- 2010 DCP/ACRE advance direct overpayments that have **not** been transferred to NRRS will automatically be transferred to NRRS on or about October 8, 2010
- some DCP/ACRE payment reports are now available through the Common Payment Reports System
- the Overpayment Register has been modified to implement a 10-workday hold on DCP/ACRE final direct overpayments
- 2009 ACRE/ACRE payments will be issued through web-based software on or about October 28, 2010, for barley, corn, dry pea, grain sorghum, lentil, oat, peanut, soybean, upland cotton, and wheat crops.

Disposal Date	Distribution
August 1, 2011	State Offices; State Offices relay to County Offices

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2 2010 DCP/ACRE Direct Payments and Overpayments

A DCP/ACRE Advance Direct Overpayments

Currently, DCP or ACRE direct overpayments that are determined during the advance payment cycle will be displayed on the Overpayment Register. Advance overpayments remain on the Overpayment Register until 1 of the following occur:

- the condition causing the overpayment is corrected
- the County Office selects the overpayment to be transferred to NRRS
- final payment processing begins, at which time all remaining overpayments determined during the advance payment cycle will be automatically transferred to NRRS on or about October 8, 2010.

Note: The 2010 advance overpayments that will be transferred to NRRS on or about October 8, 2010, will **only** be overpayments that were determined during the 2010 advance payment cycle. This is **not** the same process that was used for 2009 advance overpayment processing. The 2009 overpayment process transferred all 2009 advance payments to overpayments because of the transition from System 36 to web-based processing.

B 2010 DCP/ACRE Final Direct Payments and Overpayments

2010 DCP/ACRE final direct payments will be issued through web-based software on or about October 8, 2010.

2010 DCP/ACRE final direct payments will be offset by receivables as follows:

- established in NRRS on or about October 8, 2010, for any remaining 2010 DCP/ACRE advance overpayments
- already established in NRRS for other programs.

Important: The web-based payment process is based on “triggers” in the system and as such, County Offices shall:

- **not** add or remove the DCP/ACRE Contract approval date in an attempt to make software trigger or not trigger a payment
- **not** modify subsidiary eligibility settings to values other than what was certified by the producer or determined by COC
- be aware that it takes anywhere from 4 calendar days to 2 weeks for changes to entities and entity values to be updated to AS400/System 36 and to ensure that information from the recording county is used for review, when applicable.

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2 2010 DCP/ACRE Direct Payments and Overpayments (Continued)

C 2010 DCP/ACRE Final Direct Payment Rates

DCP/ACRE final payment rates are provided in 2-DCP (Rev. 1) as follows:

- for DCP direct final payment rates, see Exhibit 8
- for ACRE direct final payment rates, see Exhibit 9.

D Changes to DCP/ACRE Final Direct Overpayment Processing

Overpayment processing has been modified so that overpayment amounts determined during the final payment cycle are no longer immediately transferred to NRRS. The overpayment process will now update the Overpayment Register with the applicable overpayment information and hold the overpayment for 10 workdays, excluding weekends and holidays.

Note: This allows for corrective action to be taken, if necessary, and will prevent overpayments from being transferred while taking corrective action or waiting for updates in the system to be applied.

The Overpayment Register:

- has been modified to add a “Transfer Date” for the listed overpayment that is 10 workdays from the date the overpayment was determined
- will include the overpayment until the “Transfer Date” .

Notes: The overpayment will be transferred to NRRS automatically if the County Office has **not** transferred the overpayment to NRRS by the “Transfer Date”.

If the overpayment amount and/or reason change, the “Date” and “Transfer Date” will also change on the Overpayment Register.

County Offices have 2 options for overpayments listed on the Overpayment Register:

- immediately correct the condition causing the overpayment to be listed on the Overpayment Register
- select the overpayment for immediate transfer to NRRS, if the producer is determined to be overpaid.

Notes: If no action is taken, the overpayment will be automatically transferred to NRRS on the “Transfer Date”

If the producer is listed on the Overpayment Register and no corrective action is needed, the County Office shall select the overpayment to be transferred to NRRS **immediately**.

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3 DCP/ACRE Direct Payment Reports

A DCP/ACRE Direct Payment Reports

All DCP/ACRE payment reports are currently accessed through the DCP/ACRE Payments Menu; however, now that the Common Payment Reports System has been implemented, the DCP/ACRE payment report information will gradually be moved over to applicable reports within the Common Payment Reports System.

This table lists which reporting system to use for the applicable report.

Access Through	Available Payment Reports	Handbook	Paragraph
DCP-ACRE Payment Menu		2-DCP (Rev. 1)	218-220
	Overpayment Register		254
	Estimated Calculated Payment Report		221
Common Payment Reports System		9-CM	52
	Nonpayment/Reduction Report		66
	Insufficient Funds Report		67
	Payment History Report - Summary		69
	Payment History Report - Detail		70

Note: 2-DCP (Rev. 1), paragraph 254 provides information for the 10 workday hold modification to the Overpayment Register.

B Insufficient Funds Report

The Insufficient Funds Report:

- will be available through the Common Payment Reports System starting October 8, 2010, when final payments are issued, and provides a report of payments that could not be processed because sufficient funds were not available at the time the payments were being processed
- is informational **only** as Kansas City monitors the available funding and allocates additional funding when necessary.

Producers may be listed on the Insufficient Funds Report for 1 or 2 calendar days because of the timing of allocating additional funds and payment processing.

See 9-CM, paragraph 67 for information on the Insufficient Funds Report.

Important Note: Currently, payment software updates the Nonpayment Report when a producer cannot be paid because of insufficient funds. State Offices shall **not** access 2009 or 2010 DCP or ACRE eFunds to re-allocate funding. Allocation of funds by State Offices may have an adverse affect on payments.

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4 Issuing Payments to Producers With Special Circumstances

A Bankruptcy

County Offices shall follow 58-FI, paragraph 176 for producers who have filed bankruptcy.

B Deceased Producers

County Offices shall follow 1-DCP (Rev. 3), paragraph 400 for deceased producers.

C Successor-in-Interest

County Offices shall follow 1-DCP (Rev. 3), paragraph 398 for successor-in-interest.

5 Action

A State Office Action

State Offices shall:

- **not** allocate 2009 or 2010 DCP or ACRE direct eFunds
- ensure that County Offices:
 - are immediately informed of the contents of this notice
 - take action, when applicable, according to the information provided in this notice.

B County Office Action

County Offices:

- are advised that:
 - 2010 DCP/ACRE advance payment processing will stop as of **September 30, 2010**
 - 2010 DCP/ACRE advance direct overpayments will automatically be transferred to NRRS on or about **October 8, 2010**
 - 2010 DCP/ACRE final direct payments will be issued on or about **October 8, 2010**
 - 2009 ACRE/ACRE payments will be issued on or about **October 28, 2010**, for barley, corn, dry pea, grain sorghum, lentil, oat, peanut, soybean, upland cotton, and wheat crops

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5 Action (Continued)

B County Office Action (Continued)

- shall follow DCP (Rev. 1), Part 5 for:
 - payment and overpayment processing
 - Estimated Calculated Payment Report
 - Overpayment Register
- shall follow Common Payment Reports System procedure in 9-CM for:
 - Nonpayment/Reduction Report, paragraph 66
 - Insufficient Funds Report, paragraph 67
 - Payment History Report – Summary, paragraph 69
 - Payment History Report – Detail, paragraph 70
- are reminded that:
 - payment processing will occur automatically through triggers in the system
 - payments will be sent to NPS **without** user intervention
 - overpayments determined during the final payment cycle will be displayed on the Overpayment Register for 10 workdays, unless the County Office chooses to transfer the overpayment immediately or corrects the condition causing the overpayment.