

For: State and County Offices

2001 Pasture Recovery Program (PRP) Compliance Policy and Procedure

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Policies and procedures for 2001 PRP were issued through notices. However, no policy or procedure on compliance activity for PRP was included in any of the notices.

There is a need to have compliance procedures issued so that State and County Offices and producers will be aware of the policies and procedures in effect for 2001 PRP compliance.

B

Purpose

This notice provides compliance policies and procedures for 2001 PRP.

2 Certification

A

Producer Certification

When PRP payment is requested on AD-245(PRP), the producer certifies that the PRP1 or PRP2 practice:

- was needed to re-establish the forage crop because the 2000 drought severely damaged or destroyed the vegetative cover
- was established according to specifications
- will be maintained for 3 full calendar years after the calendar year of establishment.

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Disposal Date	Distribution
March 1, 2002	State Offices; State Offices relay to County Offices

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2 Certification (Continued)

B

Withdrawal

Producers who wish to withdraw from the 2001 PRP and have not received a payment may do so without penalty. Producers who received a 2001 PRP payment must refund the payment, plus liquidated damages. See paragraph 4.

3 Spot Check Requirements

A

Random Sample Spot Checks

PRP spot checks will be performed annually and will be:

- random sample
- performed on contracts approved and paid and will be the larger of 5 percent of the contracts or 5 contracts

Note: Counties with less than 5 contracts will spot check all contracts.

- mandatory for FSA employees, STC or COC members, or their immediate family members.
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B

What to Check

When performing a spot check, the following items should be reviewed for compliance with PRP policies and procedures:

- certified acreage versus actual acreage
- documentation of practice completion according to subparagraph C
- eligibility requirements of producer and land, that is, producer produces livestock for food or fiber
- onsite inspection of established practice.

See 2-CP, Part 3 for spot check guidelines.

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3 Spot Check Requirements (Continued)

C

Required Documentation for Spot Checks

When selected for spot check, producers must provide sufficient documentation that the practice was completed according to practice standards and specifications. STC's or COC's shall determine sufficiency of proof of performance. Such proof may include:

- copies of invoices or bills
 - copies of checks written to contractors or dealers
 - producer's records of time and dates worked in seeding the practice
 - other documentation as determined by STC or COC.
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4 Refunds and Liquidated Damages

A

Required Refunds

A refund of the entire PRP payment may be required, as determined by COC, if:

- the producer has not applied the practice as certified
- the practice is not maintained for the required practice lifespan (3 full calendar years after the year of establishment)

Note: A refund may not be required if COC determines that failure of the practices was a result of conditions beyond the control of the participant.

- a spot check reveals less acreage was planted than was certified as completed by the producer.

Handle refunds according to 67-FI using program code "01PRP".

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4 Refunds and Liquidated Damages (Continued)

B

When to Assess Liquidated Damages

Liquidated damages:

- shall be computed at a rate of 25 percent of the PRP payment
- will be imposed only on producers who receive a PRP payment

Note: Use program code "01PRPLIDA" to record the receivable collection.

- shall be assessed if:
 - a spot check reveals that the producer did not apply the practice as certified to on AD-245(PRP)
 - the producer cannot provide sufficient evidence that the practice was completed according to subparagraph 3 C
 - the practice is not maintained for the required lifespan
 - there is evidence of the producer knowingly filing a false claim.

Note: If there is evidence of possible violation of criminal or civil statutes, handle promptly according to 4-CP.

5 2001 PRP Practice Payments

A

Practice Completion

All 2001 PRP practices must be certified complete by December 31, 2001. No practice certified completed after this date shall be eligible for payment.

B

Payments

2001 PRP payments should be made as soon as possible. All 2001 PRP payments shall be completed by January 31, 2002.

C

Action

State and County Offices shall ensure that producers are made aware that:

- any unobligated PRP funds cannot be obligated after September 30, 2001.
 - all PRP practices must be certified complete by December 31, 2001.
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