

For: State and County Offices

Discontinuing the Use of AD-245A

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notice ECP-52 provided policy on actively engaged, direct attribution, and adjusted gross income (AGI) certification statements for ECP. AD-245A was used to allow COC's to continue approving AD-245's not approved by September 30, 2008, and to inform producers that new actively engaged, direct attribution, and AGI rules would be applied to contracts when the new forms were completed.

Producers were also informed that they would have the option to withdraw the AD-245 without penalty within 60 calendar days after the regulation was published in the FR about the new payment eligibility, AGI, and direct attribution. An interim rule for 7 CFR 1400 was published in the FR on December 29, 2008, about farm program payment limitation and payment eligibility for 2009 and subsequent years. Notices PL-183 and PL-184 were subsequently issued, which provided additional guidance on applying eligibility, payment limitation, and AGI limitation as well as completing associated forms and updating 2009 web-based eligibility.

B Purpose

This notice:

- provides policy about the following:
 - discontinuing the use of AD-245A
 - producer eligibility, payment limitation, and AGI limitation
 - continuing ECP producer certification for reconciliation of ECP AD-245 cost share payments using AD-245B
 - notifying producers about the 60 calendar day timeframe to terminate AD-245
- obsoletes Notice ECP-52.

Disposal Date	Distribution
October 1, 2009	State Offices; State Offices relay to County Offices

Notice ECP-54

1 Overview (Continued)

C Contact

If there are questions about this notice, contact Katina Hanson, ECP Program Manager, by either of the following:

- e-mail to **katina.hanson@wdc.usda.gov**
- telephone at 202-720-0062.

2 Policy

A Discontinuing AD-245A

Completing AD-245A is no longer necessary because of the publication of the interim rule for 7 CFR 1400.

B Notification to Producers

County Offices shall notify all producers with approved AD-245A's that they have 60 calendar days from the date of the notification letter to withdraw their approved AD-245. If the producer terminates the AD-245, refunds are **not** required and liquidated damages will **not** apply. If the participant(s) do not reply, no further action is necessary.

C AD-245B

County Offices shall continue to use AD-245B until FSA has updated the automated system, which stores eligibility information, to include information for the current FY, and all ECP payments will be reconciled to ensure that eligibility requirements were met at the time of payment. After reconciliation is complete, the producer(s) may receive additional payment(s), owe a refund to FSA, or no adjustment may be necessary. County Offices will be notified when this process is complete.

D Clarifying ECP Eligibility

Because producers do not need to qualify as actively engaged as defined in 7 CFR 1400 to be eligible for ECP, "actively engaged" determinations are not a pre-requisite to ECP participation.

Additionally, AGI limits do not generally apply to ECP except when supplemental appropriation acts require its application. The only ECP funds currently subject to AGI are those with the fund code ECP-AGI.

Notice ECP-54

3 Action (Continued)

A State Office Action

State Offices shall ensure that County Offices understand the provisions of this notice.

B County Office Action

County Offices shall:

- notify affected producers of the provisions of this notice within 10 workdays
- discontinue using AD-245A
- continue using AD-245B.