

For: State and County Offices

Advance Payment Availability for Restoring Permanent Fences (EC3)

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Agriculture Improvement Act of 2018 (2018 Farm Bill) was signed into law on December 20, 2018. The 2018 Farm Bill amended the Agricultural Credit Act of 1978 regarding the provisions of the Emergency Conservation Program (ECP).

Notice ECP-79 provided guidance on the updated ECP payment limitation and the maximum payment level available to certain socially disadvantaged applicants and beginning farmers or ranchers.

In addition to these provisions, Section 2403 of the 2018 Farm Bill provides the option for producers to receive an advance payment for an approved EC3.

B Purpose

This notice provides guidance for:

- advance payment eligibility
- expenditure of advance payment funds
- refunding advance payment
- software changes.

Disposal Date	Distribution
August 1, 2020 7-18-19	State Offices; State Offices relay to County Offices

Notice ECP-80

2 EC3 Advance Payment Provisions

A Advance Payment Eligibility

Effective with the 2018 Farm Bill, producers have the option to receive not more than 25 percent of the cost-share (C/S) payment for repair or replacement of eligible fencing **before** the repair or replacement is performed.

The following eligibility rules apply to an advance payment for EC3:

- person eligibility according to paragraph 91 of 1-ECP
- land eligibility according to paragraph 111 of 1-ECP
- environmental compliance according to paragraph of 162 of 1-ECP.

B Advance Payment Expenditure

A producer who receives the C/S advance payment must expend the funds within 60 calendar days of issuance.

The producer is required to provide evidence to the County Office that the advance payment has been expended. Evidence may include:

- receipts of purchased material
- invoices of pending orders or purchases.

C Advance Payment Refund

If the C/S advance payment is not expended by the participant within 60 calendar days of issuance, the participant is required to refund the advance payment. See subparagraph 3 D for guidance on determining receivable amount.

Note: The County Office must track the 60-calendar day period manually.

If after 60 calendar days of issuance, the producer has not submitted proof of expenditure of the C/S advance payment, the County Office will allow an additional 15 calendar days before initiating collection actions.

Note: Cost Share Software (CSS) will be enhanced to provide the ability to create an automated receivable for advance payments.

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3 CSS Modifications

A Advance Payment Request

If a producer chooses the option of receiving a C/S advance payment, the advance payment may be requested during the initial creation of the FSA-848 in CSS. The advance payment will be issued to all producers receiving a share of the C/S payment. When practice EC3 is included on the FSA-848, CSS has been modified to populate the question “Is an advance payment for Restoring Permanent Fences (Practice EC3) being requested?”

Following is an example of the Advance Payment Screen.

Advance Payment

Control No : 29_101_2019_0047 Creation Date : 06/19/2019
Applicant Name : | Disaster ID : 1735
Agreement Status : INCOMPLETE [Add/View Notes](#)

Is an advance payment for restoring permanent fences (Practice EC3) being requested?

Yes No

[Back to Application Practice Summary](#) [Go to eligibility](#)

Note: Both FSA-848 and FSA-848A **will not** display the advance payment acceptance question or the advance payment amount; FSA-848 will only show total C/S requested and FSA-848A will only show total C/S approved. If the advance is requested, County Office user will:

- manually enter the statement “Producer XYZ requested advance payment of \$\$” in Remarks Section 14 of the printed FSA-848A
- have the producer initial and date the remarks section and sign and date the FSA-848A.

B Calculating and Processing the Advance Payment in CSS

CSS will calculate the advance payment based on **all** EC3 units for all producers on FSA-848. The advance will be calculated as 25 percent of the total approved C/S amount for EC3 only, regardless if other ECP practices are included on the FSA-848.

Following is an example of requested advance payment calculations:

EC3: $\$1,333 \times 0.75 = \$1,000$ approved cost share; $\$1000 \times 0.25 = \250 advance payment.

Notes: The advance payment for fencing will be issued at the time of FSA-848A approval in CSS.

The advance payment for fencing will be the **only** C/S payment that will be processed before certification.

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3 CSS Modifications (Continued)

C Requesting an Advance Payment on an existing FSA-848

For an FSA-848 initiated **before** the release of the advance payment software, and the producer now requests an advance payment, a new application will be required. Follow the instructions in this table.

IF the...	THEN...
FSA-848 has been submitted but the Needs Determination or Environmental Compliance module in CSS has not been completed	inactivate the request and create a new FSA-848.
FSA-848 has been submitted and either the Needs Determination or Environmental Compliance module in CSS (or both) has been completed	un-submit, inactivate the request, and create a new FSA-848.
FSA-848A has been approved in CSS, but the certification and payment has not been completed	terminate the FSA-848A and create a new FSA-848.

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3 CSS Modifications (Continued)

C Requesting an Advance Payment on an existing FSA-848 (Continued)

For an FSA-848 initiated **after** the release of the advance payment software and the producer initially declined the advance payment but later requests an advance payment, follow the instructions in this table.

IF the...	THEN...
FSA-848 has been initiated but not submitted	edit the application and answer the advance payment question as “yes”.
FSA-848 has been submitted but the Needs Determination or Environmental Compliance module in CSS has not been completed	un-submit and edit the application; and answer the payment question as “yes”.
FSA-848 has been submitted and either the Needs Determination or Environmental Compliance module in CSS (or both) has been completed	un-submit and edit the application; and answer the payment question as “yes”.
FSA-848A has been approved in CSS, but the certification and payment has not been completed	terminate the FSA-848A and create a new FSA-848.

Note: An advance payment can never be requested after the completion of FSA-848B, Cost-Share Performance Certification and Payment.

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3 CSS Modifications (Continued)

D Certification after Acceptance of Advance Payment and Issuance of a Partial Payment

The advance payment is held in CSS as a payment with no performance. If the producer does not expend the **entire** advance payment within the designated timeframe, a receivable will be created:

- for the **full** amount of the advance payment if no producer certifications of performance have been filed prior to creation of the receivable, or
- for the **net** amount if a producer certification has been filed prior to creation of the receivable, but the performance-based producer certification did not result in a calculated payment amount greater than the amount of the advance payment.

Note: Performance-based payments issued based upon subsequent producer certifications of performance will be offset to satisfy any unpaid receivable amounts. Any performance-based payment amounts greater than the outstanding receivable amount will be issued to the producer as a payment.

4 Action

A State Office Action

State Offices will ensure County Offices follow the instructions in this notice.

B County Office Action

County Offices will follow the provisions of this notice.

C Contact Information

If there are questions about this notice:

- County Offices will contact the State Office
- State Offices will contact:
 - Shanita Landon by either of the following:
 - e-mail to shanita.landon@usda.gov
 - telephone at 202-690-1612.