UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FI-2403

For: State and County Offices

Correction Processes for Situations Relating to SHOP Overpayments and Underpayments

Approved by: Acting Deputy Administrator, Management

1 Overview

A Background

County Office Release No. 420 modified the Automated Price Support System (APSS) to provide SHOP and SHOP-II correction processes for overpayments and underpayments. Notice PS-328, provides the instructions for those automated processes.

State and County Offices are experiencing difficulties in handling situations related to the "SHOP-II Overpayments/Underpayments" correction process. The automated receivable process was **not** developed in SHOP; therefore, County Offices were instructed to manually establish "99SHOP" receivables in the Accounting Common Receivable System (CRS).

B Purpose

This notice provides instructions to State and County Offices for problems related to the automated SHOP and SHOP-II correction process for overpayments and underpayments when:

- "99SHOP" receivables in CRS were repaid
- "99SHOP" receivables in CRS were not repaid
- "99SHOP" receivables were transferred to the Automated Claims System (ACS)
- the electronic fund transfer records for "99SHOP2" were suppressed in the ACH file.

C Contact

If there are questions about this notice, contact Vivian Lu at 703-305-1311.

Disposal Date	Distribution
June 1, 2000	State Offices; State Offices relay to County Offices

2 County Office Action (Continued)

A
Accounts Receivable for SHOP

This paragraph provides instructions to State and County Offices when the manual SHOP receivable in CRS and the receivable created by the automated SHOP-II Overpayments/Underpayments correction process were established for the same amount.

Scenario / Solution		
Step	**Screen No.**	**Action**
Scenario 1: The receivable amount that was established in CRS was paid in full by the producer.		
Correction: Access Option 8, "Common Receivable Function", on Accounting Main Manu AAA000.		
1	**Delete** the collection for receivable that was manually established in CRS according to 67-FI as follows:	
	AQK000	Access Option 8, "Correct a Receivable".
	AQK700	Access Option 4, "Delete a Receivable Collection".
	AQK01101	Enter the producer's ID.
	AQK74201	Select and process SHOP collection for deletion.
2	**Delete** the receivable that was manually established in CRS according to 67-FI as follows:	
	AQK000	Access Option 8, "Correct a Receivable".
	AQK700	Access Option 3, "Delete a Receivable Establishment".
	AQK01101	Enter the producer's ID.
	AQK73201	Select and process SHOP receivable for deletion.
3	**Reapply** the amount collected to the receivable established by the automated process according to 67-FI as follows:.	
	AQK000	Access Option 2, "Record a Receivable Collection".
	AQK21001	• ENTER "N" for the question, "Manually Prepared CCC-257?", on the Repayment Data Screen • Enter the date of repayment.
	AQK01101	Enter the producer's ID.
	AQK20201	Select the SHOP receivable record established by the automated SHOP-II Overpayments/Underpayments correction process.
	AQK20401	Verify the amount of receivable and ENTER "Y" for the question, "Is this the amount being collected?"
	AQK20404	Verify the amount of receivable and ENTER "Y' for the question, "Is this amount correct?"
	AQK20601	ENTER "N" for "Record another collection?"
	AGK00500	Enter Option 4, "Already Prepared CCC-257".
	AGK00540	Enter the correct CCC-257 Schedule Number and Deposit Date.

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2 County Office Action (Continued)

A Accounts Receivable for SHOP (Continued)

Scenario / Solution		
Step	**Screen No.**	**Action**
Scenario 2: The receivable amount that was established in CRS has **not** been paid by the producer or transferred to claim.		
Correction: Access Option 8, "Common Receivable Function", on Accounting Main Menu AAA000.		
1	**Delete** the receivable that was manually established in CRS according to 67-FI as follows:	
	AQK000	Access Option 8, "Correct a Receivable".
	AQK700	Access Option 3, "Delete a Receivable Establishment".
	AQK01101	Enter the producer's ID.
	AQK73201	Select and process SHOP receivable for deletion.

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2 County Office Action (Continued)

A Accounts Receivable for SHOP (Continued)

Scenario / Solution		
Step	**Screen No.**	**Action**
Scenario 3: The receivable manually established in CRS was not paid and has been transferred to ACS.		
Correction: There are actions that need be completed in CRS and ACS.		
In CRS: Transfer the accounts receivable for the "99SHOP" portion that was established in APSS to the Accounting Debts and Claims function.		
1	**Change** the Initial Notification Letter date, so that at least 60 days have elapsed according to 67-FI as follows:	
	AQK000	Access Option 8, "Correct a Receivable Establishment" .
	AQK700	Access Option 1, "Correct a Receivable Establishment".
	AQK01101	Enter Producer ID and Type.
	AQK71201	Select the "99SHOP" receivable to view the Initial Notification Latter Date.
2	**Select** the SHOP receivable and enter a Demand Letter Date that is **at least 30 days later** than the Initial Notification Letter Date as follows:	
	AQK000	Access Option 7, "Prepare Demand Letter".
	AQK600	Access Option 3, "Record Manually Prepared First Demand Letter".
	AQK01101	Enter Producer ID and Type.
	AQK63201	Select the "99SHOP" receivable
	AQK63401	Enter a date of the Demand Letter Prepared that is at least 30 days later than the date viewed on Step 1.
3	**Select** the receivable to be transferred as follows:	
	AQK000	Access Option 3, "Transfer Receivables to Claim Status".
	AQK30201	• Select the receivable to be transferred. • Print FSA-671, Claim Data Transmittal Record, to indicate receivable was transferred to ACS.

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2 County Office Action (Continued)

A Accounts Receivable for SHOP (Continued)

Scenario / Solution		
Step	**Screen No.**	**Action**
Correction for Scenario 3 (Continued)		
In ACS: Withdraw the newly established claim that was transferred according to 64-FI.		
1	**Select** the claim to refer for termination as follows:	
	AVA001	Access Option 4, “Refer a Claim”.
	AVK00510	Enter the Producer ID and Claims will be displayed.
	AVK00520	Select the SHOP Claim.
	AVK00530	Access Option 5, “Select Claim for Processing”.
	AVK12210	Enter: • Name Authorization • today’s date in the Date of Referral • “**10**” in the Discovery Code • “**514**” in the Reason Code • “**01**” (Refer to State Office) in the Referral Code. **Note:** FSA-671, Claim Data Transmittal Record, will be printed to indicate claim was referred to termination.

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2 County Office Action (Continued)

A Accounts Receivable for SHOP (Continued)

Scenario / Solution		
Step	**Screen No.**	**Action**
Correction for Scenario 3 (Continued)		
In ACS: (Continued)		
2	**Select** the claim for termination as follows:	
	AVA001	Access Option 4, “Refer a Claim”.
	AVK00510	Enter the Producer ID and Claims will be displayed.
	AVK00520	Select the SHOP Claim.
	AVK00530	Access Option 5, “Select Claim for Processing”.
	AVK12210	Enter: • Name Authorization • today’s date in the Date of Referral • “**10**” in the Discovery Code • “**559**” in the Reason Code • “**10**” (Refer to Originating Office) in the Referral Code. **Note:** FSA-671, Claim Data Transmittal Record, will be printed to indicate claim is to be termination.
	AVK12810	ENTER “X” next to “Withdrawn”.
	AVK12820	Enter: • Name Authorization • today’s Date in the Date of Referral • “**10**” in the Discovery Code • “**740**” (Withdrawn) in the Reason Code. **Note:** FSA-671, Claim Data Transmittal Record, will be printed to indicate claim has been withdrawn.

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2 County Office Action (Continued)

B
EFT Suppressed for SHOP

This paragraph provides instructions to the State and County Offices that have experienced problems in managing the suppressed ACH record for SHOP.

Scenario / Solution	
Step	**Instruction**
Scenario 1: An incorrect producer ID was paid under "99SHOP" and the "99SHOP2" ACH is being suppressed.	
Correction: County Office shall **cancel** the suppressed ACH record for "99SHOP2".	
1	**Cancel** the payment through Price Support, Special Function, SHOP, Option 4, "Canceling SHOP-II" Payables" according to Notice PS-328. **Note:** This process will establish a receivable for "99SHOP" and delete the "99SHOP2" ACH from the direct deposit pending file.
2	**Update** the Direct Deposit flag to "N" by accessing the Producer Name and Address (N/A) File.
3	**Reissue** SHOP payments through SHOP, Option 8, "Issue Canceled/Failed SHOP-II Payments". **Note:** This process will result in issuing checks for "99SHOP" and "99SHOP2" payables to the producer.
4	**Cancel/sub** the above issued checks by accessing Accounting Check Writing, Option 10, "Substitute a Check" and change the payee to CCC on the substitute checks. **Note:** These checks will be used in Step 6 to repay the established receivables.
5	**Change** producer shares according to Notice PS-328, subparagraph 3 B, by accessing SHOP, Option 5, "Recording SHOP-II Overpayments/Underpayments". **Note:** This process will result in receivable being established for the incorrect Producer ID and new payments to the correct Producer ID.
6	**Repay** the receivables established by accessing Accounting, CRS, Option 2, "Record a Receivable Collection". • Enter the incorrect Producer ID. • Select the "99SHOP" and/or "99SHOP2" receivables for repayment using the checks generated in Step 4.
7	**Repay** the remaining receivable from the SHOP cancellation in Step 1. • Cancel/sub the "99SHOP" check issued in Step 5, make payable to CCC. • Use this check to repay ("SHOP" receivable established in Step 1). • Release this "99SHOP2" check issued in Step 5 to the producer.

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2 County Office Action (Continued)

B
EFT Suppressed for SHOP (Continued)

Scenario/Solution	
Step	**Instruction**
Scenario 2: The "99SHOP2" ACH is being suppressed for an application in which good faith was not determined.	
Correction: County Office shall **cancel** the suppressed ACH record and delete the manual receivables.	
1	**Cancel** the suppressed ACH payment through Price Support, Special Function, SHOP, Option 4, "Canceling SHOP-II Payables", according to Notice-PS-328. **Note:** This process will establish a receivable for SHOP and delete the "99SHOP2" ACH from the direct deposit pending file.
2	**Delete** the manually established receivable according to 67-FI, paragraph 497, by accessing the Accounting, CRS. Option 8, "Correct A Receivable".
3	If the manul Receivable was repaid, record the repayment on the Receivable established in Step 1, by accessing the Accounting, CRS, Option 2, Record a Receivable Collection".

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2 County Office Action (Continued)

B EFT Suppressed for SHOP (Continued)

Scenario/Solution	
Step	**Instruction**
Scenario 3: The "99SHOP2" ACH payment is being suppressed due to an incorrect producer profile in the Direct Deposit system.	
Correction: County Office shall cancel the suppressed ACH record and reissue SHOP payments.	
1	**Cancel** the payment through SHOP Option 4, "Canceling SHOP-II Payables per Notice PS-328. **Note:** This process will establish a receivable for SHOP and delete the "99SHOP2" ACH from the Direct Deposit Pending file.
2	**Access** the Producer Name and Address (N/A) to update the Direct Deposit flag to "N".
3	**Reissue** SHOP payments through SHOP Option 8, "Issue Canceled/Failed SHOP-II Payments. **Note:** This process will result in checks for "99SHOP" and "99SHOP2" payable to the producer.
4	**Access** the Accounting, Check Writing, Option 10, "Substitute A Check" to cancel/sub the SHOP check and change the payee to CCC on the substitute check(s). **Note:** This check will be used in Step 5 to repay established receivable.
5	**Access** the Accounting, CRS, Option 2, "Record a Receivable Collection". • Enter the Producer ID. • Select the SHOP receivable for repayment using the check generated in Step 4. • Release the "99SHOP2" check issued in Step 4 to producer.

C Other Situations

County Offices shall contact the KCMO help desk on 1-800-926-1552 when experiencing other situations related to SHOP or the "SHOP-II Overpayments/Underpayments" correction processes.