

For: State and County Offices

Processing and Depositing Commodity Certificate Purchase Sales Proceeds

Approved by: Acting Deputy Administrator, Management



1 Overview

**A
Background**

On February 8, 2000, CCC announced the use of commodity certificates. Commodity certificates may be purchased by producers to use in acquiring collateral pledged to CCC for a commodity loan. The acquisition of the loan collateral using the commodity certificates may encourage producers to repay the loan rather than forfeiting or delivering the loan collateral to CCC at loan maturity.

**B
Purpose**

This notice provides State and County Offices with instructions on:

- preparing a manual CCC-257 to deposit commodity certificate sales proceeds
- providing the State Office with the phone-in report to initiate the transfer of funds from LD for CBS County Offices
- recording the phone-in report at the State Office and incorporating the phone-in reports into the total transfer for the State
- recording the manual CCC-257 entries when the commodity certificate purchase software is delivered in the future.

**C
Contact**

If additional information is required, State Offices shall contact either:

- Jorge Rivera at 703-305-1308
- David Nichols at 703-305-1300.

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

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2 Depositing Commodity Certificate Sales Proceeds

A

Preparing a Manual CCC-257

County Offices shall:

- print the “Available Schedule of Deposit Report” according to 3-FI, paragraph 137

Note: This report will help County Offices to select CCC-257 schedule numbers that are available.

- process the collection of sales proceeds for commodity certificates by preparing a manual CCC-257 according to 3-FI, paragraph 37

Note: More than 1 check for commodity certificate sales proceeds may be listed on a single manual CCC-257 each workday.

- list the related commodity certificate numbers purchased on FSA-603, column H, by each check deposited.
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B

Depositing Manual CCC-257 into the CCC Lockbox Bank

County Offices depositing funds into the CCC Lockbox Bank shall mail the manually prepared CCC-257's to the CCC Lockbox Bank according to 3-FI, paragraph 34.5.

C

Depositing Manual CCC-257 into LD for CBS Offices

County Offices depositing funds into LD shall deliver the manually prepared CCC-257's to LD according to 3-FI, paragraph 33.

Since there is no data in the System 36, the County Office will have to report the deposit to the State Office for CBS reporting purposes according to 3-FI, paragraph 93.

Upon receipt of all reports from County Offices, the State Office shall process the phone-in reports according to 3-FI, paragraph 108.

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3 County Office Action

**A
Processing
Multiple Actions
With a Single
Check From the
Producer**

If a producer wishes to pay off a commodity loan where there is no denied market gain and purchase a commodity certificate for another or same commodity loan and only has a single check to provide to CCC, process the actions according to the following table.

For loan repayments where there is denied market gain, process the entire transaction as a commodity certificate exchange.

Step	Action
1	Calculate the total amount of funds needed to pay off the loan and purchase the desired commodity certificate and obtain a check from the producer for that total amount.
2	Record the loan repayment as normal depositing the producer's check for the full amount. When the record is passed to Cash Receipts, the amount of the check that is above what is needed to satisfy the loan will be refunded to the producer using program code REFREP.
3	Use the REFREP check to purchase the commodity certificate and record it on the manual CCC-257 according to instructions in this notice.

**B
Recording
Manual
CCC-257's When
New Software Is
Released**

When the new commodity certificate exchange software is released and updated into APSS, County Offices will be able to record the use of commodity certificates to exchange for outstanding price support loans. When the redemptions are processed, a receipt record will be created and transferred from APSS to the Cash Receipts-Accounting Application. When the receipt record is received, the County Office shall process the record according to 3-FI, paragraph 65.

More detailed instructions on recording these collections into the System 36 will be provided when the software is released.
