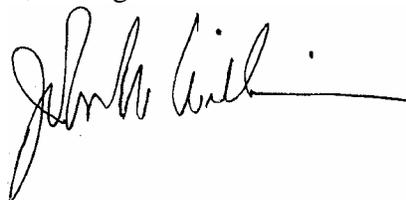


For: State and County Offices and KCFO

Closing FY 2004 Transactions

Approved by: Deputy Administrator, Management



1 Overview

A Background

FY 2004 ends Thursday, September 30, 2004. All current FY business transactions must be recorded by September 30, 2004, and received by KCFO as soon as possible after COB on September 30, 2004, preferably on October 1, 2004. This data is needed to allow for the annual closing of FSA and CCC accounts and preparation of annual financial statements.

Federal agencies are required to prepare and submit audited FY-end financial statements to the Office of Management and Budget within 45 days of the FY-end. This is a significantly accelerated closing date from the up to five months allowed in the past. It is critical that Agency FY-end processes run smoothly and all pertinent financial information is gathered and transmitted on a timely basis for this to be accomplished.

B Purpose

This notice provides:

- closing instructions to State and County Offices to ensure that FY 2004 transactions are:
 - properly recorded in a timely manner
 - transmitted to KCFO
- information on the effect of FY close on e-funds controlled programs
- new reporting requirements for State and County Offices related to outstanding amounts committed on approved applications or contracts and amounts that are payable but not paid by the September 30 cutoff.

<p>Disposal Date</p> <p>February 1, 2005</p>	<p>Distribution</p> <p>State Offices and KCFO; State Offices relay to County Offices</p>
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1 Overview (Continued)

C Contact

If there are questions about this notice, contact Debbie Simmons, FMD, at 703-305-1309.

2 County Office Action

A Action Items

County Offices shall ensure that the following action items are completed:

- all FY 2004 transactions are properly entered into the system according to the applicable handbook

Note: This includes payments, collections, receivables, and claims transactions.

- CCC-184 's that are to be dated before October 1, 2004, are printed
- the direct deposit file is queued and transmitted by September 30, 2004
- collections received for deposit are recorded before October 1, 2004
- accounting-related data files are queued and transmitted to KCFO no later than September 30, 2004
- The following reports:

Dairy Indemnity Payment Program Claims Report by October 1, 2004
County Progress Report on October 1, 2004
State Office Summary Report for Conservation by October 4, 2004
Due and Payable Balances Report by October 1, 2004.

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2 County Office Action (Continued)

B Recording Transactions

Ensure that all transactions are recorded into the system. This table contains the transactions that must be recorded so that accurate financial statements can be prepared.

Transaction	How to Record
Payments that need to be canceled	Cancel payables through either the program application, if automated, or the Accounting Application, Check Writing Function, if nonautomated.
Collections that were prepared on manual CCC-257	Record collections through the applicable application, as follows: <ul style="list-style-type: none">• Common Receivable System (CRS), if the collection is for an established receivable, according to 67-FI• Automated Claims System (ACS), if the collection is for a claim, according to 64-FI• The Accounting Application, Cash Receipts Function, or the applicable program application, when the collection does not involve a receivable or claim, according to 3-FI.
Payments or cash collections that need to be corrected	Correct erroneous transactions according to program regulations using options to record underpayments/overpayments or by canceling and re-entering corrected information.
Program overpayments	Record overpayments that are currently due CCC or FSA through the program application or by establishing receivables through CRS.

Note: The following areas have handbooks or notices that contain specific user instructions for originating or canceling payments and collections:

- Automated Price Support System (APSS)
- County Office administrative expense
- Conservation Reserve Program (CRP)
- Direct and Counter-Cyclical Payments (DCP)
- disaster applications
- Conservation Reporting and Evaluation System (CRES)
- Environmental Quality Incentives Program (EQIP).

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2 County Office Action (Continued)

C Queue and Transmit Files on September 30

Queue and transmit files to KCFO on **September 30, 2004**, according to this table.

Step	Action
1	<p>On Application Selection Menu FAX07001:</p> <ul style="list-style-type: none"> • ENTER "7", "Queue Files for Transmission" • PRESS "Enter".
2	<p>On Queue Files for Transmission Menu FMA901:</p> <ul style="list-style-type: none"> • ENTER "1", "Queue All Daily Transmission Files" • PRESS "Enter" • the message, "Do you wish to queue for all counties?", will be displayed • ENTER "Y" • PRESS "Enter". <p>Note: If during the queuing process:</p> <ul style="list-style-type: none"> • the system message, "SYS MSG-3725", which indicates a price support or a price support/accounting out-of-balance condition, is displayed and an Out-of-Balance Report is printed, see 14-PS for corrective action • Accounting Transmission Screen AEK00060, which indicates that CCC-257 's have not been prepared and/or are out-of-balance, is displayed, PRESS "Enter". See 3-FI for corrective actions. The error conditions must be corrected before transmitting data. Rerun the queue process after corrections have been made. <p>Reminder: The "Queue All Daily Transmission Files" option does not queue the direct deposit file.</p>
3	Transmit files to KCFO during the end-of-day (EOD) process.
4	Check the exception list on October 1, 2004, to verify that all files were transmitted successfully. If the transmission is not successful, continue to step 5.
5	Retransmit the files to KCFO. If the retransmission fails, contact the FSA National Help Desk at 1-816-926-1552 or 1-800-255-2434.

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2 County Office Action (Continued)

D Mailing Transmission Tapes to KCAO

If the County Office must use a transmission tape to send the accounting files to KCAO, send the tape using an overnight express mail service. The mailing address is:

USDA, FSA, KCAO, IMPD, IDB
6501 Beacon Drive, Mail Stop 8418
Kansas City, MO 64133-4676

Note: If possible, the tape shall be mailed using Saturday delivery.

E Explanation for Failing to Mail Tapes For Transmission Failures

If a County Office experiences transmission failure, and fails to mail a tape to KCAO on October 1, 2004, the County Office shall provide a report to their State Office explaining why the tapes were not mailed as instructed. State Offices shall provide the reports to DAFO.

3 State Office Action

A Queue and Transmit Files on September 30

Queue and transmit files to KCFO on **September 30, 2004**, according to the following table.

Step	Action
1	On Application Selection Menu FAX07001: <ul style="list-style-type: none">• ENTER "7", "Queue Files for Transmission"• PRESS "Enter".
2	On Queue Files for Transmission to KCFO Menu FMA901: <ul style="list-style-type: none">• ENTER "1", "Queue All Daily Transmission Files"• PRESS "Enter". <p>Reminder: The "Queue All Daily Transmission Files" option does not queue the direct deposit file.</p>
3	Transmit files to KCFO during the EOD process.
4	Check the exception list on October 1, 2004, to verify that all files were transmitted successfully. If the transmission is not successful, continue to step 5.
5	Retransmit the files to KCFO. If the retransmission fails, contact the FSA National Help Desk at 1-816-926-1552 or 1-800-255-2434.

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3 State Office Action (Continued)

B Mailing Transmission Tapes to KCFO

If the State Office must use a transmission tape to send the accounting files to KCFO, send the tape using an overnight express mail service. Use the mailing address shown in subparagraph 2 D.

Note: If possible, the tape shall be mailed using Saturday delivery.

C Explanation for Failing to Mail Tapes For Transmission Failures

If the State Office experiences transmission failure, and fails to mail a tape to KCAO on October 1, 2004, the State Office shall provide a report to DAFO explaining why the tapes were not mailed as instructed.

4 KCFO Action

A Monitor Transmissions

KCFO shall monitor file transmissions to ensure that the following are completed:

- County Office data transmissions are received and help is provided to those County Offices experiencing difficulties in transmitting data
- State Office data transmissions are received and help is provided to those State Offices experiencing difficulties in transmitting data
- tapes are received from those State and County Offices not able to transmit on September 30, 2004.

B Missing Office Transmissions

By 3 p.m., c.t. on October 4 2004, the Information Management Processing Division shall provide a list of missing Sate and County Office transmission to KCFO, Financial Operations Division, Cash Management Branch.

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5 State and County Office Reporting for FY 2004 Close

A Dairy Indemnity Payment Program (DIPP) Claims Report

By September 30, 2004, County Offices shall notify State Offices, by FAX, of the amount of FY 2004 DIPP claims paid through September 30, 2004.

State Offices shall FAX a copy of the report to PSD at 202-690-3307 by COB, October 1, 2004.

Note: This applies only to State Offices that have been provided funds for DIPP.

B County Progress Reports

County Offices shall verify on October 1, 2004, that the system automatically:

- during start-of-the-day (SOD), prints and queues the September 30, 2004:
 - ACP-305 Monthly Progress Report
 - Conservation 305 Monthly Progress Report
- during EOD, transmits the data to the State Office.

C State Office Summary Report for Conservation

State Offices shall:

- have full responsibility for ensuring that:
 - all County Office ledgers are balanced by COB September 30, 2004
 - payments issued, minus refunds, agree with earnings at FY-end
- ensure that all County Offices have transmitted:
 - ACP-305 Monthly Progress Report
 - Conservation 305 Monthly Progress Report
- print the following State Office reports after all County Office reports are received:
 - ACP-305 Monthly Progress Report according to 1-CONSV, Part 10, Section 2
 - Conservation 305 Monthly Progress Report according to 2-CONSV, Part 15

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5 State and County Office Reporting for FY 2004 Close (Continued)

C State Office Summary Report for Conservation (Continued)

- ensure that the following ACP-305 Monthly Progress Reports and Conservation 305 Monthly Progress Reports are printed for each applicable conservation program in the State:
 - ACP (CEP-16R)
 - ECP (CEP-18R)
 - EQIP (CEP-61R)
 - Interim EQIP (CEP-60R)
 - RCWP (CEP-25R)
 - PRP (CEP-65R)
 - SIP (CEP-46R)
 - 1997 TAP (CEP-62R)
- print, queue, and transmit the ACP-305 Monthly Progress/Transmission Report and Conservation 305 Monthly Progress/Transmission Report to Kansas City no later than October 4, 2004
- monitor the accuracy of all progress reports using the State-produced reports
- take the following steps to complete FY-end reconciliation according to 1-CONSV, Part 11, using the:
 - Cumulative Reconciliation Report and Monthly Payment/Refund Activity Report provided by Kansas City
 - September ACP-305 Monthly Progress Reports
 - State Ledger Reports.

Step	Action
1	Complete all county reconciliations.
2	Prepare ACP-259B for all applicable conservation programs, except CRP.
3	Maintain a copy of all prior FY adjustments that were made to the current FY ledger.
4	Mail ACP-259B and all required documentation to Kansas City by COB December 31, 2004.

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6 Effect of FY Close on E-Funds Controlled Programs

A Effect on Programs That Roll Over Balances

Programs that roll over balances from one FY to the next will not be available in e-funds until the program can be reconciled to ensure that the proper balances are rolled forward. Payments shall not be made until the program is rolled over to FY 2005. The program will be available by October 7 2004.

B Effect on Programs That Receive New Funding

Programs that receive new funding for FY 2005 will be available in e-funds as soon as the funding is apportioned, and the program division allots the funds to the State and County Office level. There may be a 1 day delay in updating the allotments to e-funds.

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7 Report of Due and Payable Balances Not Issued by September 30, 2004

A Background

Federal reporting requirements require that the following be accurately recorded in the Agency's FY-end Financial Statements.

- **Accruals.** All balances that are due and payable, but not paid at FY-end are accruals. An accrual is any amount that should have been paid at the end of the FY, but for whatever reason, the payment that was owed was not disbursed.
- **Obligations.** The outstanding balance of all funds committed by FSA but not due at FY-end is an obligation. An obligation is the outstanding balance of all funds committed by the Agency based on approved applications or contracts, less any disbursements made.

At this time, the only way to obtain this information is to obtain a report from each county office at FY-end.

B County and State Office Action

County Offices shall prepare an "Unpaid Balance Report" of approved applications/contracts that are due, but not paid by September 30, 2004. The data shall be input in an Excel Spreadsheet, according to subparagraph 7G. The spreadsheet will be e-mailed to the Administrative Officers in all the State Offices. The State Office shall e-mail the spreadsheet to each County Office. The completed report should be forwarded by County Offices to the State Office for consolidation by COB October 1, 2004.

Upon receipt of the completed Excel Spreadsheet from each County Office, the State Office shall consolidate all Spreadsheets and calculate totals by program. By COB October 5, the State Office shall certify and forward the consolidated report to both of the following:

- by e-mail to Kathleen Carroll at klcarroll@kcc.usda.gov and James Love at jtlove@kcc.usda.gov
- by Facsimile at 816-926-3696.

C Contact

Contact Lenior Simmons, FMD, at 703-305-1313, if there are questions concerning the "Unpaid Balance Report."

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7 Report of Due and Payable Balance Not Issued by September 30, 2004 (Continued)

D Importance of Reporting Amounts Outstanding and Committed on Contracts/Applications as of September 30, 2004

County Offices must report the outstanding amounts of contracts/applications that have been approved and have not been disbursed by September 30, 2004. These amounts represent commitments (obligations) by FSA to make a future payment and therefore must be recognized in the financial records of FSA.

E Importance of Issuing All Program Payments by September 30, 2004

County Offices should strive to provide negative reports by ensuring that all payments for program expenses that are due and payable by September 30, 2004, are issued.

7 Report of Due and Payable Balance Not Issued by September 30, 2004 (Continued)

F Programs To Be Included on “Unpaid Balance Report”

The “Unpaid Balance Report” shall include the following programs.

Note: County Offices are required to submit either a negative report or complete data about the individual balance not issued for **each** of the following.

- Agricultural Conservation Program
- Apple & Potato Quality Loss Program
- Agricultural Management Assistance Program
- Counter-Cyclical Payments
- Conservation Reserve Program – Agricultural Management Assistance Program
- Conservation Reserve Program – Annual
- Conservation Reserve Program – Cost Share
- Conservation Reserve Program – Haying and Grazing
- Conservation Reserve Program – Practice Incentive
- Conservation Reserve Program – Signing Incentive
- Conservation Reserve Program – Soil and Water Conservation Assistance Program
- Conservation Reserve Program – Technical Assistance
- Conservation Reserve Program – Yakima Basin Water Conservation
- Conservation Reserve Program – Klamath Basin Water Conservation
- Crop Disaster Assistance Program
- Dairy Market Loss Assistance Program
- Direct Payments
- Emergency Conservation Program
- Water – 2002 Farm Bill
- Emergency Conservation Program - Hurricane Supplemental
- Environmental Quality Incentives Program – Ground and Surface Water - 2002 Farm Bill
- Interim Environmental Quality Incentive Program
- Lamb Meat Adjustment Assistance Program
- Livestock Assistance Program
- Livestock Feed Program
- Loan Deficiency Payments
- Livestock Assistance Program
- Livestock Feed Program
- Loan Deficiency Payments
- Milk Indemnity Program
- Milk Income Loss Contract Program
- Non-insured Assistance Program
- Pasture Flood Compensation Program
- Peanut Marketing Assistance Program
- Peanut Quota Buyout
- Soil and Water Conservation Program
- Tree Assistance Program
- Wool and Mohair Market Loss Program
- Emergency Conservation Program – Midwest Flood
- Environmental Quality Incentives Program – 1996 Farm Bill
- Environmental Quality Incentives Program – Base (2002 Farm Bill)
- Environmental Quality Incentive Program – 2002 Farm Bill
- Environmental Quality Incentive Program – Klamuth Basin – 2002 Farm Bill
- Farmland Protection Program
- Grassland Reserve Program
- Hard White Winter Wheat

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7 Report of Due and Payable Balance Not Issued by September 30, 2004 (Continued)

G Preparing the “Unpaid Balance Report”

County Offices shall provide the following data or a negative report for all programs listed in subparagraph 7F. County Offices shall use the instructions in the following table to prepare the Excel Spreadsheet “Unpaid Balance Report.”

CED shall certify the report as assurance that all the information reported is accurate. This information may be subject to audit sampling. Therefore, it is imperative that County Offices have proper documentation available to support the data reported. Proper documentation means that the application or contract and supporting documentation must be readily available.

Column	Action
Program Name	The program names are displayed on the report. County Offices should insert rows on the spreadsheet to list each application/contract for a program on a separate line item. All program/crop years are required.
Negative Report	Enter an “X” in this column, if the County Office has : <ul style="list-style-type: none"> • no approved applications/contracts that are due and payable for the program • this program has never been issued from the County Office
Program/Crop Year	Enter the Applicable Program or Crop Year.
Commodity	Enter the applicable Commodity code. Note: Use the commodity code abbreviations in 3-FI, Exhibit 6.
State Code	Enter the 2-digit State code.
County Code	Enter the 3-digit county code.
Taxpayer ID Number	Enter the Taxpayer Identification number of the producer or entity on the contract.
Contract/Application Number	Enter the approved contract or application number, if applicable.
Date Contract /Application Approved	Enter the date the application or contract was approved by the County Office. Note: If the application is received, but not approved by September 30, 2004, do not include the application on the report.
Dollar Value of Contract/Application	Enter the Total Dollar Value of the approved application/contract, less any disbursements that have already been issued for the application/contract Note: Do not include contracts/applications that are not approved because the producer has not submitted all documentation.
Dollar Value Due but not Paid by 9/30/04	Enter the dollar amount of the approved application/contract that is due and payable and not paid by September 30, 2004. Example: If the total value of the application is \$500, and only \$300 of that amount was due on September 1, 2004, but not paid by September 30, 2004, the amount to be reported in this column is \$300. Note: This is the accrual amount. In some cases, the data for this field will be provided by NRCS and no data is required by County Offices
Use by KCFO	This column is a calculated field. This field subtracts the Dollar Value column and the Dollar Value Due/Not Paid column. This column will be used by KCFO to make the obligation entry for the program. Note: This is the obligation amount.

