

For: FSA Offices

**Changes to the Debt Basis Code for 2003 Counter-Cyclical (CC) Overpayments**

Approved by: Deputy Administrator, Management



**1 Overview**

**A Background**

Notice DCP-109 informed field offices that overpayments from the 2003 advance CC program would be recorded with a debt basis code of 10-320, which would allow the debt to be automatically deducted from 2004 direct payments.

For producers that are no longer in the program because they have quit farming or are deceased, the March 31, 2005, due date for the return of unearned 2003 advance overpayments will not apply. Overpayments are due upon calculation, and normal collection procedures should begin.

**B Purpose**

This notice advises County Offices that they should change the debt basis code from 10-320 to 10-428 (program earnings exceeded) for producers who are no longer farming or are deceased to begin normal collection efforts for these overpayments.

**C Contact**

If questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Rodney Davis by:
  - email at **Rodney.Davis@wdc.usda.gov**
  - telephone at 703-305-1310.

<b>Disposal Date</b>  April 1, 2005	<b>Distribution</b>  All FSA Offices; State Offices relay to County Offices
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**Notice FI-2669**

**2 Updating Basis of Debt Code**

**A County Office Action**

For those producers who have quit farming or are deceased, County Offices shall begin the process for collecting 2003 overpayments by accessing the System 36 and performing the following actions.

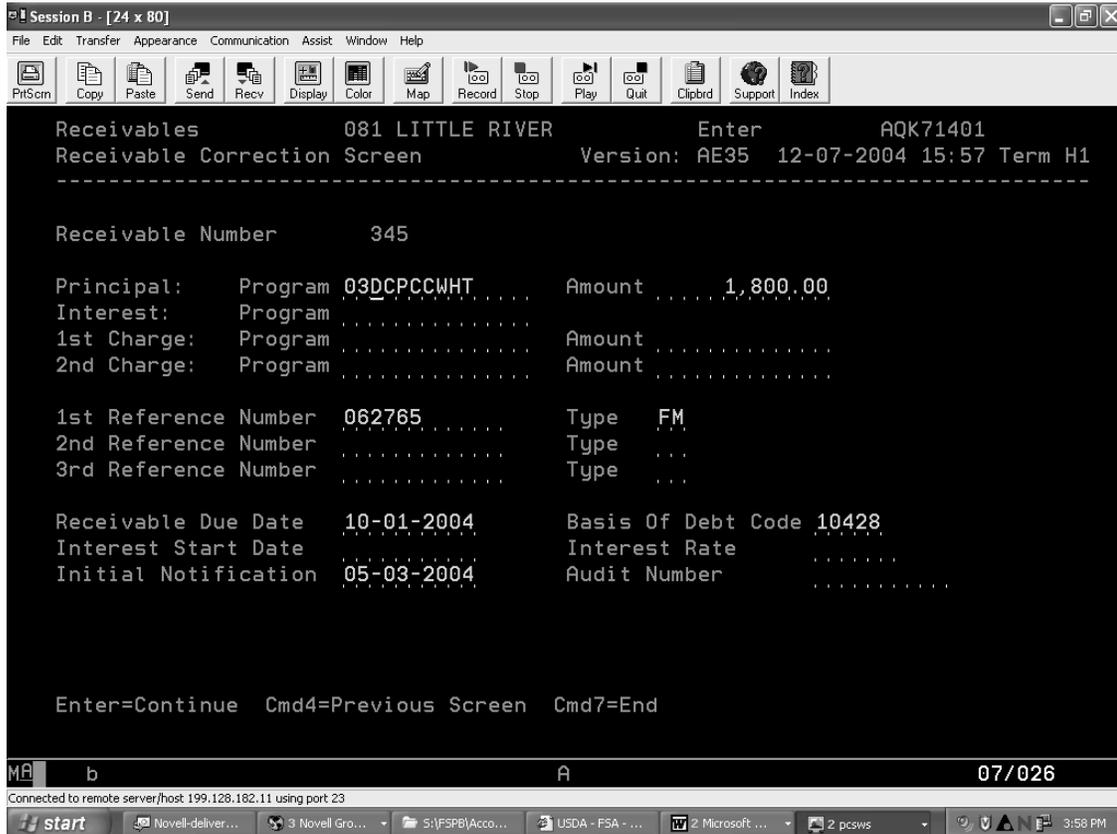
<b>Step</b>	<b>Action</b>	<b>Result</b>
1	On Primary Selection Menu FAX250, ENTER "3" or "4", "Application Processing".	Application Selection Menu FAX07001 or Office Selection Options Menu FAX09002 will be displayed.
2	<b>IF Option...</b>	<b>THEN...</b>
	"3" is selected	Menu FAX07001 will be displayed. Go to step 3.
	"4" is selected	Menu FAX09002 will be displayed.  <b>Note:</b> Select the appropriate county and continue to Menu FAX07001.
3	On Menu FAX07001, ENTER "1", "Accounting".	Accounting Main Menu AAA000 will be displayed.
4	On Menu AAA000, ENTER "8", "Common Receivable Function".	Receivable Main Menu AQK000 will be displayed.
5	On Menu AQK000, ENTER "8", "Correct A Receivable".	Receivable Correction Menu AQK700 will be displayed.
6	On menu AQK700, ENTER "1", "Correct A Receivable Establishment".	Producer Selection Screen AQK01101 will be displayed.
7	On Screen AQK1101, enter producer ID number or name.	Select Receivables Screen AQK71201 will be displayed.
8	On Screen AQK71201, enter "X" to select the receivable to be corrected.	Receivable Correction Screen AQK71401 will be displayed.
9	On Screen AQK71401, enter the date that the 2003 overpayment was calculated in the "Receivable Due Date" field, ENTER "10428" in the "Basis of Debt Code" field, and ENTER "05-03-2004" in the "Initial Notification" field. PRESS "Enter".	The System will process the request and return to Screen AQK700.

The May 2004 letter from KCFO advising of the overpayments served as the initial notification letter. 67-FI, paragraphs 495 and 496, provide instructions for issuing a first demand letter which should be sent out immediately upon making these changes.

2 Updating Basis of Debt Code (Continued)

A County Office Action (Continued)

Following is an example of the “Receivable Correction Screen” on which the basis of debt code can be changed. The receivable due date should be the date that the overpayment was calculated.



B State Office Action

State Offices shall provide assistance, as needed, to County Offices to ensure that the basis of debt codes are changed, and that collection procedures are followed for overpayments made on the 2003 CC program in instances where producers no longer farm or are deceased.