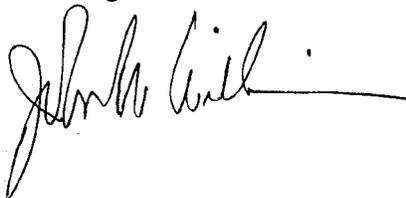


For: State and County Offices, and KC-ITSD

Reporting CCC-1099-A's to Producers and IRS

Approved by: Deputy Administrator, Management



1 Overview

A Background

IRS Code, Section 6050J, requires that CCC, as a lender of money secured by property in connection with a trade or business, file an information return reporting any full or partial acquisition of this property. This requirement applies to CCC when either of the following occurs:

- CCC acquires an interest in any property in full or partial satisfaction of any debt
- CCC has reason to know that the property in which it has a security interest has been abandoned.

B Purpose

This notice provides procedures to State and County Offices for:

- printing CCC-1099-A's for producers for calendar year 2005 loan collateral acquisitions
- distributing CCC-1099-A's to producers in January 2006
- transmitting CCC-1099-A loan collateral acquisition data to KC-ITSD
- purging prior year price support loan forfeiture, settlement, or abandonment data from the IRS history file.

C System-Generated CCC-1099-A

A system-generated CCC-1099-A will be used for reporting both original and corrected transactions to the producer.

Disposal Date	Distribution
March 1, 2006	All FSA Offices; State Offices relay to County Offices

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1 Overview (Continued)

D Contact Information

If questions about this notice, State Offices shall contact the appropriate office according to the following.

Issue	Contact
Software related problems	National Help Desk at 800-255-2434 Note: Select option 3 for hardware and application software.
Policies in this notice	Rodney Davis by: <ul style="list-style-type: none">• email to Rodney.Davis@wdc.usda.gov• telephone at 703-305-1310.
Date transmission questions	Delores Smith by: <ul style="list-style-type: none">• email to Delores.Smith@kcc.usda.gov• telephone at 816-926-1440.

Note: County Offices shall retain copies of all CCC-1099-A's issued in the event a copy or replacement is requested by the recipient.

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2 Action

A County Office Action

County Offices shall take the following action beginning with Accounting Main Menu AAA000.

Step	Action
1	<p>On Menu AAA000:</p> <ul style="list-style-type: none"> • ENTER “7”, “IRS Reporting Function” • PRESS “Enter” to access IRS Reporting Menu AFA110.
2	<p>On Menu AFA110:</p> <ul style="list-style-type: none"> • ENTER “3”, “Print Original CCC-1099-A’s” • PRESS “Enter”. <p>Note: This option will print all CCC-1099-A’s for producers recorded in the IRS history file and can only be selected between January 3 and January 25, 2006.</p> <p>Review printed CCC-1099-A’s for legibility and accuracy before releasing them to producers.</p> <p>A negative report is required from offices that have no forfeiture, settlement, or abandonment activity, and will only be generated by selecting the print option.</p>
3	Mail CCC-1099-A’s to producers by January 27, 2006.
4	<p>Transmit IRS transmission files as of COB Friday, January 27, 2006.</p> <p>Note: The IRS history file will automatically be included in the first transmission created using the “Queue All” option after selecting the CCC-1099-A print option.</p>
5	Purge prior year price support loan forfeiture, settlement, or abandonment data recorded in the IRS history file according to 62-FI, paragraph 35.

B KC-ITSD Action

KC-ITSD shall take the following action.

Step	Action
1	Monitor transmissions received from County Offices to ensure that IRS history files have been received by February 1, 2006.
2	<p>On February 3, 2006, contact State Office computer specialists for each County Office that has not transmitted files to IRS.</p> <p>Note: Continue contacting State Offices until all IRS history files have been successfully transmitted to KC-ITSD through transmission, tapes, or both.</p>