

For: State and County Offices

Processing Corrections to Payments Issued Through the National Payment Service (NPS)

Approved by: Deputy Administrator, Management



1 Overview

A Background

Correction processing for web-based programs is initiated when an original payment sent to NPS must be changed. Specific program related changes will be included in the appropriate application procedures but may include a change to payment amount, quantity, or recipient. Deletion (cancellation) of a payment will also result in revised handling by NPS.

B Purpose

This notice informs Service Center employees of procedures that **must be followed** when processing an overpayment or underpayment correction to a web-based program payment. This includes the necessary steps that **must** be taken to complete the establishment of a receivable in the System 36. These steps **must be completed** for the receivable to be established in the System 36 Common Receivables System (CRS).

Programs that currently issue payments through NPS are listed in the following table along with the anticipated release date of their correction software.

| Program | | Anticipated Software Release |
|---------|--|------------------------------|
| eLDP | Electronic Loan Deficiency Payments | June 2006 |
| eMILCX | Milk Income Loss Contract Extension | November 2006 |
| eTAA | Electronic Trade Adjustment Assistance | July 2006 |
| TTPP | Tobacco Transition Payment Program | July 2006 |

Forthcoming notices from the program divisions that administer these programs will include:

- recent software enhancements to access e-applications to make corrections
- instructions for correcting e-application payments

C Contact

State Offices with questions about policies outlined in this notice should contact Rodney Davis by e-mail at rodney.davis@wdc.usda.gov.

| | |
|----------------------|--|
| Disposal Date | Distribution |
| July 1, 2007 | FSA Offices; State Offices relay to County Offices |

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2 General Guidelines for Corrections to Payments Issued Through NPS

A Service Center Roles

Service Center employees may be assigned a role as either a Certifying Official or Signing Official. When a program application submits a payment request to NPS, the application must be certified and then signed, **in that order**, before being issued.

B Signed Payments in NPS

Once an NPS payment request is signed, it is considered complete. Once signed, any corrections must be initiated by the program application that will either establish an:

- overpayment that will create a receivable
- underpayment that will create an additional payment to the producer.

C Non-Signed Payments in NPS

If a payment request has been certified but **not** signed, it is considered **not** complete and may still be deleted (cancelled).

D Updates to the e-Funds Control System (e-FC)

E-FC is updated (decreased) at the time a payment interfaces with NPS. If the payment is later deleted (cancelled), the funds will be immediately placed back into e-FC to be used by another transaction for the same program.

Note: A payment request will be rejected if NPS cannot verify that there are adequate funds available in e-FC at the time of the request.

When an overpayment is recorded, e-FC is **not** updated to reflect the additional amount available for program use until the overpaid funds have been collected back. Once collected back, the funds are placed into e-FC and are again available for use by the program.

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3 Receivable Processing for Electronic Web Programs

A Receivables Established by NPS

All receivables reside on the System 36 CRS including those established as a result of an overpayment issued through NPS. Receivables will “replicate” daily to the System 36 at 8:00 p.m. central.

B Establishing Receivables

The Service Center default printer will receive a report of “NPS - Overpayment Establishments/Cancellations” when overpayment data is updated on the System 36 database (see Exhibit 1).

When a Service Center employee is made aware that a correction to an NPS payment must be processed, the employee must select **Option 11**, “Electronic Web Receivable Processing” from the System 36, Accounting - Receivable Main Menu on Screen AQK000.

The following is an example of Screen AQK000.

```
COMMAND                      AQK000                      H5
Accounting - Receivable Main Menu
-----
1. Establish A Receivable      *6. Modify Receivables Status
2. Record A Receivable Collection  7. Prepare Demand Letters
3. Transfer Receivables To Claim  8. Correct A Receivable
   Status                      9. Inquire/Print Receivable
4. Transfer Receivables To Note   Status Reports
   Receivables                 10. Purge Receivable History Files
5. Write-Off A Small Balance     11. Electronic Web Receivable Processing
   Receivable
                                20. Return To Application Primary Menu
                                21. Return To Application Selection Screen
                                22. Return To Office Selection Screen
                                23. Return To Primary Selection Menu
                                24. Sign Off
Cmd3=Previous Menu                      *=Option currently not available.

Enter option and press "Enter".
11_
```

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3 Receivable Processing for Electronic Web Programs (Continued)

B Establishing Receivables (Continued)

The following Accounting - Electronic Web Receivable Processing Menu on Screen AQKWEB is utilized to initiate the establishment of an NPS-issued overpayment (receivable). The user must select **Option 3**, "Initiate NPS Overpayment Establishments". This option will allow the receivable to be established and will generate an initial notification letter.

```
COMMAND                      AQKWEB                      H5
Accounting - Electronic Web Receivable Processing
-----
          1.  Initiate NPS Receivable Establishments
          2.  Initiate Voluntary Receivable Repayments
          3.  Initiate NPS Overpayment Establishments
          4.  Initiate NPS Overpayment Cancellations

          20. Return To Application Primary Menu
          21. Return To Application Selection Screen
          22. Return To Office Selection Screen
          23. Return To Primary Selection Menu
          24. Sign Off

Cmd3=Previous Menu

Enter option and press "Enter".
 3_
```

Note: Option 4, "Initiate NPS Overpayment Cancellations" is currently not available.

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3 Receivable Processing for Electronic Web Programs (Continued)

B Establishing Receivables (Continued)

The following is an example of the Basis of Debt Text Screen AQK15201. It will be displayed to allow the Service Center employee to enter text to be printed on the initial notification letter that will be mailed to the producer.

| | | | |
|--|--|-------------------|----------------------|
| Receivables | 025 MIAMI-DADE | Enter | AQK15201 |
| Basis Of Debt Text Screen | Version: AC42 | 06-19-2006 | 14:41 Term DQ |
| ----- | | | |
| Producer ID/Type | 111 11 1111 S | | |
| Multiple Producers? | | | |
| Reference Number | 002601 | AP | |
| Basis Of Debt Code | 10308 | | |
| Current Balance | 1,385.00 | | |
| Enter up to eight lines of Basis of Debt Text to be printed on the Initial Notification Letter. | | | |
| 1 | This is Basis of Debt Text for the Initial Notification Letter. | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| Press Enter to record Basis of Debt Text for the next receivable. | | | |

Note: Follow the basic rules for establishing a receivable as outlined in 67-FI.

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3 Receivable Processing for Electronic Web Programs (Continued)

B Establishing Receivables (Continued)

The following is an example of the No Records Screen AQKNOREC that will be displayed when a Service Center employee attempts to establish an NPS overpayment in CRS **before** payment data being replicated to the System 36.

| | | | |
|-------------------|-------------------|---------------|--------------------------|
| Accounting | 197 WRIGHT COUNTY | Review | AQKNOREC |
| No Records Screen | | Version: AE54 | 06-16-2006 12:28 Term H5 |

NPS - Overpayments data is not currently available for processing.

Data will be processed through this option when an NPS - Overpayment establishment or cancellation has been initiated. The overpayment data may not have completed replication from NPS - Overpayment to the AS-400 yet. Please try again later.

If this message continues to be displayed and you have completed the NPS - Overpayment process, check your system default printer for a report named "NPS - Overpayment Replication Failure".

Enter=Continue

C Canceling Receivables Not Yet Established

A receivable that has not been established (replicated to the System 36 CRS), may be cancelled and re-entered for a corrected amount. This may be performed multiple times before the daily replication time, if necessary.

Example: A \$125 payment request was sent to NPS and was signed (issued). It was then determined that the correct payment amount should be \$100 (not \$125). Because the payment had been signed, the program application initiated a request for the establishment of an overpayment (receivable) in the amount of \$25.

It is then determined that the correct payment amount is \$75 (not \$100). The program application will check the status of the \$25 overpayment that has been established. Since it has not yet been transferred to the System 36 CRS, the program application will initiate a request to cancel the overpayment and initiate a new overpayment in the correct amount of \$50.

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3 Receivable Processing for Electronic Web Programs (Continued)

D Adding Program Interest

In instances when a receivable has been established and program interest applies, refer to 67-FI, Part 11 for receivable corrections. Screen AQK71401 allows the user to enter the interest start date and interest rate to the system.

4 NPS Corrections Summary

A General Rules for NPS Corrections

The following chart provides examples of the types of corrections that may occur and how they should be corrected.

| IF... | THEN... |
|--|---|
| correcting a payment not signed | the initial payment will be deleted and a new payment issued for the correct amount. |
| correcting an underpayment not signed | the original payment will be deleted and a new payment issued for the correct amount. |
| correcting an underpayment that was signed | an additional payment will be issued for the underpaid amount. |
| correcting an overpayment not replicated to System 36 | the original overpayment will be voided. Note: A new overpayment or payment will be created as necessary. If there is no change to the initial payment, the overpayment will be voided. |
| correcting an overpayment that was replicated to System 36 | a new overpayment or payment will be created as necessary. |

Report of NPS - Overpayment Establishments/Cancellations

The following is an example of the report of NPS - Overpayment Establishments/Cancellations that the Service Center default printer will receive when overpayment data is updated on the System 36 database.

| | | |
|---|--|----------------------|
| U.S. Department of Agriculture Farm Service Agency | | Prepared: 05-30-2006 |
| Report ID: AQKQPP-R001 | NPS - Overpayment Establishments/Cancellations | Page: 1 |
| Overpayment establishments are available for processing in 48-303. | | |
| Please select Option 11, Electronic Web Receivable Processing from the Receivables Primary Selection Menu. Then select Option 3, Initiate NPS Overpayment Establishments | | |