

For: State and County Offices

Updating Bankruptcy Flags in FSA Financial Services (FSA-FS)

Approved by: Acting Associate Administrator for Operations and Management



1 Overview

A Background

Policies for handling debts involving bankruptcy are provided in 58-FI, Part 11, Section 3. The bankruptcy indicator is maintained in FSA-FS. If payment is to be made to:

- a trustee, the trustee’s name and address must be recorded in FSA-FS
- the customer, do not enter the trustee’s name in FSA-FS.

A software error prevents a customer in bankruptcy status from having an assignment applied to a payment. This has an adverse effect on assignments that should be honored, including FLP assignments.

A second software error does not complete the update process for the trustee information if the customer was previously flagged as bankrupt and the Service Center employee is updating information.

An FWADM report, Customer Profile, was developed and posted under FWADM’s Financial Services root to identify customers with a bankruptcy indicator set to “Y”.

Note: Change the flag settings immediately in the FSA-FS accounting customer profile database when the bankruptcy status changes.

B Purpose

This notice:

- provides instructions for:
 - setting the bankruptcy flag and entering trustee information, if applicable, through FSA-FS
 - working around the known software errors (paragraph 4)
- obsoletes Notice FI-2968.

| | |
|----------------------|--|
| Disposal Date | Distribution |
| December 1, 2010 | State Offices; State Offices relay to County Offices |

Notice FI-2991

1 Overview (Continued)

C Contact

State Offices with questions about this notice should contact either of the following:

- Yanira Sanabria, FMD, by:
 - e-mail to yanira.sanabria@wdc.usda.gov
 - telephone at 703-305-0969
- Sue Tolle, FMD, by:
 - e-mail at marysue.tolle@kcc.usda.gov
 - telephone at 816-926-5965.

2 Setting the Bankruptcy Flag in FSA-FS

A When to Set the Bankruptcy Flag

The bankruptcy flag must be set to “Yes” when it is determined that bankruptcy rules apply. See 58-FI, Part 11, Section 3 to determine the actions required when the County Office becomes aware of the filing.

B FSA-FS Web Site

State or County Office employees must have a valid eAuthentication level II Service Center employee ID and password to log into the FSA-FS web site at <https://pws.sc.egov.usda.gov/login/login.aspx/>.

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2 Setting the Bankruptcy Flag in FSA-FS (Continued)

C FSAFS Menu

This is an example of the redesigned FSA-FS Home Page. The FSAFS Menu will be displayed after the customer has been selected. CLICK “Bankruptcy” located under “Customer Profile” to change the flag setting or to enter trustee information.

USDA United States Department of Agriculture
Farm Service Agency

Financial Services

FSAFS Home About FSAFS Help Contact Us Exit FSAFS Logout of eAuth

FSAFS Menu
Welcome A Brubaker
▶ Pending Changes
▶ Back to Main Menu

Assignments
▶ Assignor View
▶ Assignee View
▶ Add Assignment

Joint payments
▶ View Joint Payment
▶ Add Joint Payment

Direct Deposit
▶ View Direct Deposit
▶ Add Direct Deposit
▶ Direct Deposit Waiver

Customer Profile
▶ Bankruptcy 
▶ Other Agency Debt

Go To
▶ NPS
▶ E-Forms

Financial Services  Help

Work List: MISSOURI (29) - Callaway (027)
Customer: Clark Co. - xxxxx1841E

Welcome to Financial Services. Use the left navigation to begin.

FSAFS-WEB01, Last Modified on 03/18/2010 [Back To Top ^](#)

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2 Setting the Bankruptcy Flag in FSA-FS (Continued)

D Bankruptcy Information Screen

This is an example of the Bankruptcy Information Screen. If the Service Center employee needs to change the customer status to bankruptcy, CLICK “Add” and the Add Bankruptcy Request Screen will be displayed.

The screenshot displays the FSAFS Bankruptcy Information screen. The header features the USDA logo and 'United States Department of Agriculture Farm Service Agency' on the left, and 'Financial Services' on the right. A navigation bar includes links for 'FSAFS Home', 'About FSAFS', 'Help', 'Contact Us', 'Exit FSAFS', and 'Logout of eAuth'. The main content area is titled 'Bankruptcy Information' and shows 'Work List: MISSOURI (29) - Callaway (027)' and 'Customer: Clark Co. - xxxxx1841S'. Below this, a section labeled 'Bankruptcy information:' contains fields for 'Bankrupt: No', 'Trustee Name:', 'Trustee Address:', and 'Effective date:'. At the bottom of this section are two buttons: 'Add' and 'Exit'. A red arrow points to the 'Add' button. A left-hand menu lists various options like 'Welcome Nancy Reiff', 'Pending Changes', 'Back to Main Menu', 'Assignments', 'Joint payments', 'Direct Deposit', 'Customer Profile', and 'Go To'. The footer includes 'FSAFS-WEB54' and a 'Back To Top ^' link.

Note: Click:

- “Add” to continue to the Bankruptcy Request Screen
- “Exit” to return to the FSAFS Menu.

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2 Setting the Bankruptcy Flag in FSA-FS (Continued)

E Add Bankruptcy Request Screen

When a Service Center employee clicks “Add” the following screen will be displayed. Click on the box if the customer selected is currently in bankruptcy status.

The bankruptcy effective date is a required entry. This is the date that the bankruptcy was filed in court.

The screenshot displays the 'Add Bankruptcy Request' screen in the FSAFS system. The page header includes the USDA logo and 'Financial Services'. The main content area shows a 'Work List' for Missouri (29) - Callaway (027) and a customer 'CLARK CO. - xxxxx1841S'. An informational message states that verification is required for changes to bankruptcy information. The 'Bankruptcy Data' section contains a checkbox for 'Check if customer listed above is currently in bankruptcy status.', an 'Effective date (mm/dd/yyyy)' field, and an 'Ineffective date (if no longer in bankruptcy) (mm/dd/yyyy)' field. A 'Submit' button is highlighted with a red arrow. The left sidebar contains a 'FSAFS Menu' with options like 'Welcome B Kersey', 'Pending Changes', 'Assignments', 'Joint payments', 'Direct Deposit', and 'Customer Profile'.

Notes: If the "Bankruptcy Data" box is checked on this screen, then the second Add Bankruptcy Request Screen will immediately be displayed.

If the effective date is entered on this page CLICK "Submit". A second Bankruptcy Request Screen will be displayed to enter trustee information if payments are to be issued to the trustee. If payments are to be issued to the customer, leave the trustee information blank.

F Customer Profile

When the bankruptcy and other agency debt flags are set, they will apply to all States and counties associated with the customer.

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2 Setting the Bankruptcy Flag in FSA-FS (Continued)

G Adding the Bankruptcy Trustee Information in FSA-FS

The following Add Bankruptcy Request Screen will be displayed when the employee clicks “Add” on the Bankruptcy Information Screen.

USDA United States Department of Agriculture
Farm Service Agency

Financial Services

FSAFS Home About FSAFS Help Contact Us Exit FSAFS Logout of eAuth

FSAFS Menu
Welcome A. Brubaker
▶ Pending Changes
▶ Back to Main Menu

Assignments
▶ Assignor View
▶ Assignee View
▶ Add Assignment

Joint payments
▶ View Joint Payment
▶ Add Joint Payment

Direct Deposit
▶ View Direct Deposit
▶ Add Direct Deposit
▶ Direct Deposit Waiver

Customer Profile
▶ Bankruptcy
▶ Other Agency Debt

Go To
▶ NPS
▶ E-Forms

Add Bankruptcy Request Help

Work List: MISSOURI (29) - Callaway (027)
Customer: Clark Co. - xxxxxx1841E

Informational: As verification is required for changes to bankruptcy information, submitting this request will create an entry in "Pending Changes" for this customer.

Bankruptcy Data:
 Check if customer listed above is currently in bankruptcy status.

Trustee Information:

Trustee Name:

Trustee Address:
Address Line 1:
Address Line 2:

U.S. Address: City: State: Zip:

Foreign Address: Foreign Address Line: Country:
Code:

Effective date (mm/dd/yyyy):

Ineffective date (if no longer in bankruptcy) (mm/dd/yyyy):

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To complete the Add Bankruptcy Request:

- if payments are to be issued to the trustee, complete the following fields:
 - “Trustee Name”
 - “Trustee Address”
 - “U.S or Foreign Address”, as applicable
- enter the date the bankruptcy was filed in court in the "Effective date" field (if not entered on the previous screen)
- CLICK “Submit” to record the flag setting.

Note: If the trustee information is not provided or if the payments are to be issued to the customer, leave the trustee’s information blank and click “Submit” to set the bankruptcy flag. The Service Center employee may enter the trustee’s information at a later time, if applicable, by selecting the Bankruptcy Menu and clicking “Modify”. This will require secondary approval for verification.

2 **Setting the Bankruptcy Flag in FSA-FS (Continued)**

H Example of Completed Update Bankruptcy Request Screen

The following is an example of the Update Bankruptcy Request Screen. Upon completing the trustee’s information CLICK “Submit” to set the bankruptcy flag.

Notes: A secondary approval is required to validate the request.

A pending request can be deleted or updated **before** secondary approval.

The screenshot shows the 'Update Bankruptcy Request' interface. At the top, it identifies the user as 'Welcome A Brubaker' and shows the 'Work List: MISSOURI (29) - Callaway (027)' and 'Customer: Clark Co. - xxxxx1841E'. The 'Bankruptcy Data' section has a checked box for 'Check if customer listed above is currently in bankruptcy status.'. The 'Trustee Information' section includes fields for 'Trustee Name: Joe Doe', 'Trustee Address: 5th Avenue N.W.', 'City: Houston', 'State: TX', and 'Zip: 77001'. There are also fields for 'Effective date (mm/dd/yyyy): 04/27/2010' and 'Ineffective date (if no longer in bankruptcy) (mm/dd/yyyy):'. At the bottom, there are 'Submit' and 'Exit' buttons. The footer contains 'FSAFS-WEB56' and a 'Back To Top ^' link.

The following is an example error message that will be displayed when the Service Center employee enters the “Ineffective date” incorrectly.



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2 Setting the Bankruptcy Flag in FSA-FS (Continued)

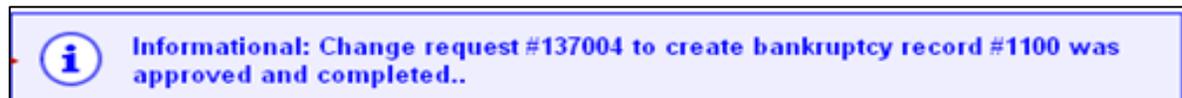
I Secondary Party Verification

After the customer's status is changed to bankruptcy in FSA-FS, the request will be sent to the Pending Changes Worklist for approval. See Notice FI-2928 for instructions on pending change request and second party verification.

Service Center employees will do the following, as applicable:

- enter the bankruptcy effective date that was entered in the "Effective date" field and the trustee's name, if applicable, on the Add Bankruptcy Request Screen
- CLICK "Approve Request" to save
- CLICK "Delete Request" to remove the request
- exit.

The following message will be displayed after approving the request.



3 Deleting Bankruptcy Flags in FSA-FS

A Deleting Bankruptcy Flag

When notified that the bankruptcy is no longer applicable, the Service Center employee shall delete the flag in FSA-FS by:

- accessing the FSAFS Main Menu
- selecting the customer according to Notice FI-2928
- under the Customer Profile Menu, CLICK "Bankruptcy" and then "Modify", and the Modify Bankruptcy Request Screen will be displayed
- uncheck the "bankruptcy status" box in the field labeled "Check if customer listed above is currently in bankruptcy status"
- enter the date the bankruptcy status was terminated in the "Ineffective date" field
- CLICK "Submit".

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3 Deleting Bankruptcy Flags in FSA-FS (Continued)

B Second Party Verification

Second party verification is required. See Notice FI-2928 for instructions on second party verification. Service Center employees will do the following, as applicable, for second party verification:

- enter the bankruptcy “Ineffective date”
- CLICK “Approve Request” to save
- CLICK ”Delete Request” to remove the request
- exit.

The following message will be displayed after approving the request.



Informational: Change request #35004 to cancel bankruptcy record #5001 was approved and completed..

4 Working Around Known Software Errors

A Assignments for Customers in Bankruptcy

NPS will not apply assignments if the customer is flagged in bankruptcy status. If an assignment should be honored, then delete the bankruptcy flag in FSA-FS according to paragraph 3, entering the current date in the “Ineffective Date” field. Second party verification is required. If a payment is already in NPS awaiting certification or signing, then reset payment processing for the payment in NPS. This will allow the assignment to be honored.

Note: Reset the bankruptcy flag after the payment has been signed.

B Error for Bankruptcies Flagged Before May 28, 2010

Customers that had the bankruptcy flag set to “Yes” before May 28, 2010, are showing “Yes” on the Customer Profile, the database has not been properly updated because the “Bankruptcy Filed Date” was never recorded. The system does not warn the user that there is no record to update, however, the trustee data is not saved.

If the bankruptcy indicator was previously set to “Yes”, before May 28, 2010, follow the steps in this table.

| Step | Action |
|------|--|
| 1 | Delete the bankruptcy flag according to paragraph 3, entering the current date in the “ineffective date” field |
| 2 | Complete second party verification of the deletion. |
| 3 | Add the bankruptcy, according to paragraph 2, using the correct effective date. |
| 4 | Complete the second party verification of the bankruptcy. |

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5 County Office Action

A Print FWADM Customer Profile Report for Bankruptcy

All Service Centers shall immediately print the FWADM Report of Active Bankruptcy Profiles to obtain a listing of those recorded in FSA-FS currently. If the customer is shown as a multi-county customer, do not change the indicator to “N” without contacting the other counties where the customer does business. Print the report before running any payment cycle. If a customer on the report does not have an entry in the “Date Filed” column, follow instructions in subparagraph 3 B.

B Determine If Customer in Bankruptcy Has an Assignment

View assignments for the customer flagged in Bankruptcy to determine if the bankruptcy flag must be removed to allow an assignment to be honored.

Note: If the customer in bankruptcy has an assignment, and also a receivable, the receivable will be honored before the assignment if the bankruptcy flag is removed, contact the State Office before taking any action. The State Office shall contact the National Office for instructions.