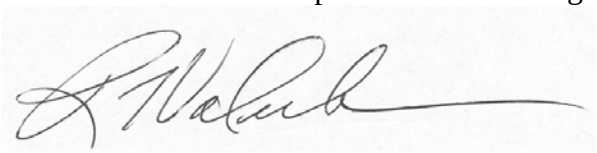
UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FI-3014

For: State and County Offices

Prompt Payment Interest (PPI) Penalty Payments and Overpayments

Approved by: Acting Associate Administrator for Operations and Management



1 Overview

A Background

PPI is systematically calculated in NPS when the PPI due date is passed to NPS with the payment request. Not all program applications residing on the System 36 have the ability to pass the PPI due date, and some web-based applications are not passing the correct PPI due date. Corrections to the PPI due date in the program application do not generate an entry to NPS for the PPI to be calculated.

NPS has not been programmed to calculate additional interest penalty (INTPEN) required by the Prompt Payment Act.

When an overpayment is established and the original payment had PPI included, PPI is overpaid, but is **not** included in the receivable establishment.

B Purpose

This notice provides instructions for:

- using the System 36 Check Writing Application to create a payment request for PPI due
- issuing additional INTPEN payments in System 36 when required
- establishing a receivable in NRRS when PPI has been overpaid.

Disposal Date	Distribution
August 1, 2011	State Offices; State Offices relay to County Offices

1 Overview (Continued)

C Contact

If there are questions about this notice, State Office shall contact the appropriate office as follows.

Issue	Contact
Software-related problems.	Contact the National help Desk at 800-255-2434 or 819-926-1552. **Note:** Select option 3 for hardware and application software.

Policies or procedures on making PPI or additional INTPEN payments.	Contact either of the following:
	
	• Jackie Pickens by either of the following:
	
	  • e-mail at **jackie.pickens@wdc.usda.gov**
	  • telephone at 703-305-1310
	
	• Nancy Chapman by either of the following:
	
	  • e-mail at **nancy.chapman@kcc.usda.gov**
	  • telephone at 816-926-6971.

Policies or procedures on establishing receivables for PPI overpayments.	Contact either of the following:
	
	• Robin Jones by either of the following:
	
	  • e-mail at **robin.jones@kcc.usda.gov**
	  • telephone at 816-926-1613
	
	• Debbie Simmons by either of the following:
	
	  • e-mail at **debbie.simmons@wdc.usda.gov**
	  • telephone at 703-305-1309.

2 Determining Payment Due Dates

A Payment Due Dates

Payment due dates for most programs are shown in 61-FI, subparagraph 4 B and Exhibit 4, or in the applicable program handbook. However, the due date for CRP is incorrect. The due date for CRP is the later of the following:

- October 31
- 30 calendar days after:
    - funds are made available for issuing these payments
    - applicants provide required documentation.

B PPI Due for Refunds of Overcollections

If a signed payment including PPI is canceled, a receivable is established in NRRS, but the PPI portion of that payment is **not** being added to the receivable. A manual receivable must be created for PPI. This will allow an accounting adjustment to reclassify PPI to the correct program. Even though accounting entries are made to appropriately account for PPI, NRRS will display the receivables separately.

3 Creating PPI Receivables

A Accessing NRRS

County Office employees must have a valid eAuthentication user ID and password to login to the NRRS web site. To login to the web site from the FSA Intranet Home Page, under "Resources", CLICK "**FSA Applications**". Under "Financial Services", CLICK "**Financial Applications**". The FSA Intranet Financial Applications Home Page will be displayed, CLICK "**National Receipts and Receivables System**". See 64-FI, paragraph 17 about Accessing NRRS.

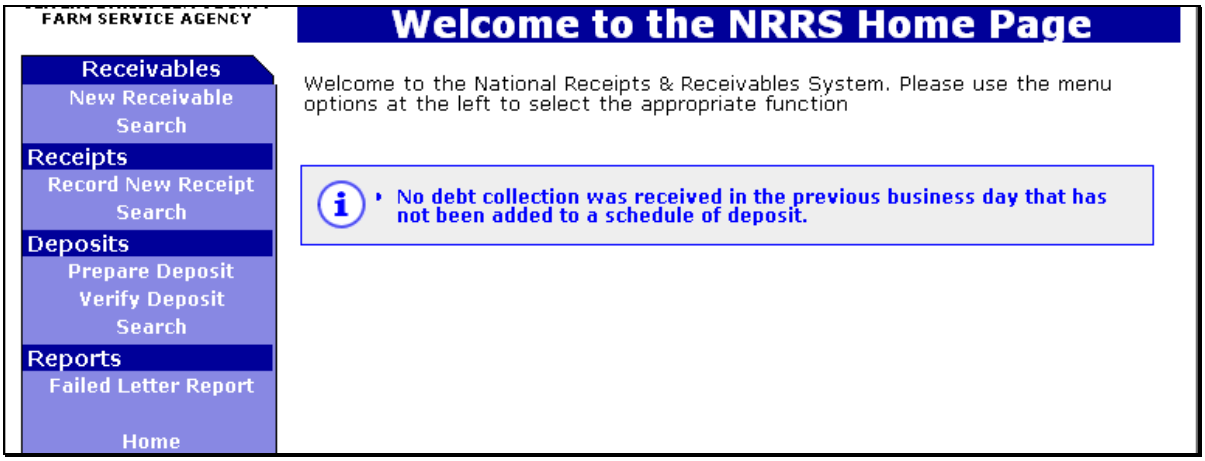
The eAuthentication Warning Screen will be displayed. CLICK "**I Agree**".

The eAuthentication Login Screen will be displayed. Enter user ID and password and CLICK "**Login**".

3 Creating PPI Receivables (Continued)

B Entering "INTPEN" in NRRS

The following Welcome to the NRRS Home Page will be displayed. Under "Receivables", CLICK "**New Receivable**".



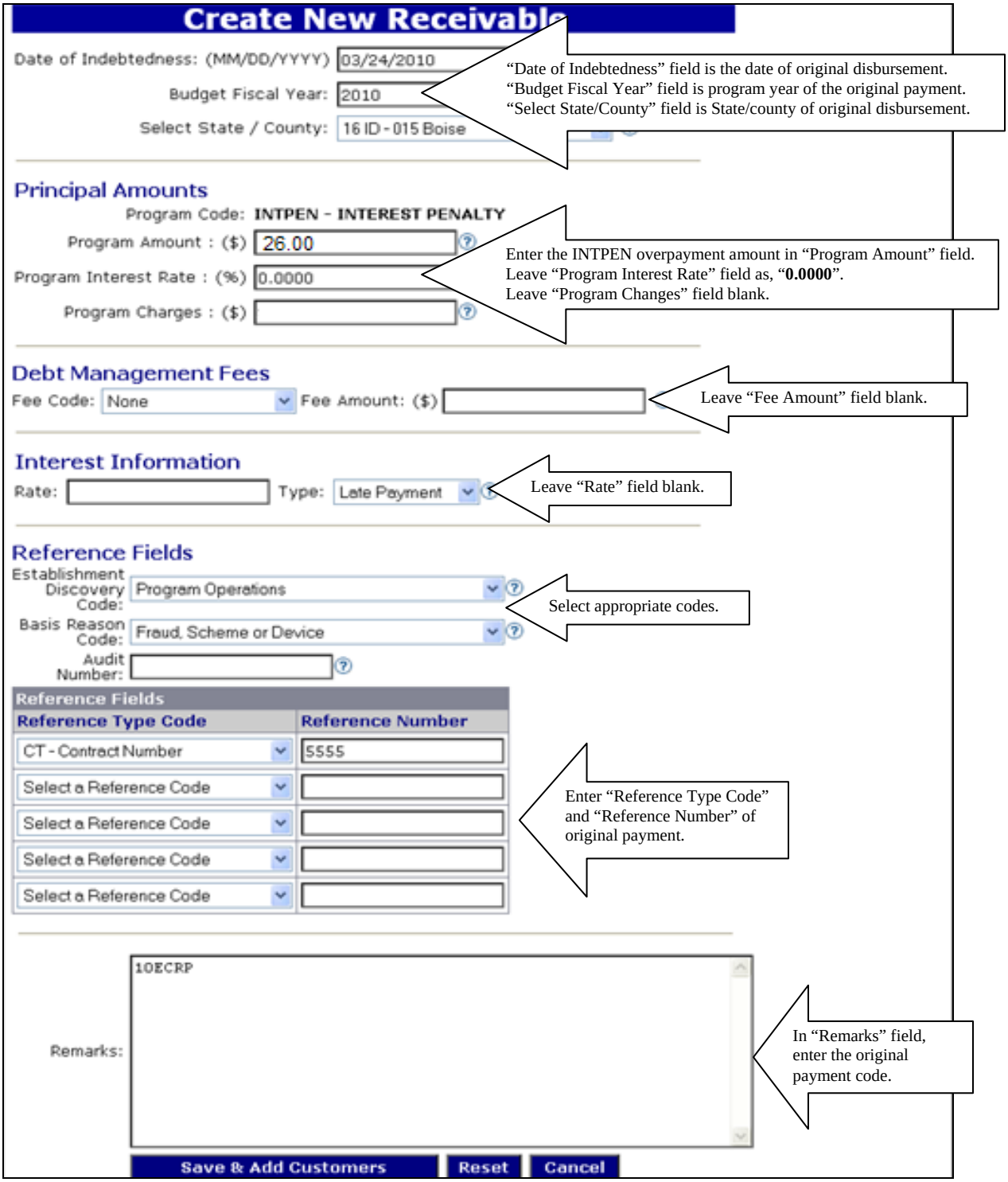
The following Search for a Program Screen will be displayed. To record a receivable for the amount of PPI, a manual receivable should be created using Accounting Program Code, "INTPEN". In the "Program Name" field, ENTER "**INTPEN**" and CLICK "**Search**".

On the following Program Code Search Results Screen, CLICK "**radio button**" next to Accounting Program Code "INTPEN" and CLICK "**Select**".

3 Creating PPI Receivables (Continued)

B Entering "INTPEN" in NRRS (Continued)

On the following Create New Receivable Screen, in the "Remarks" field, the user should enter the program code that relates to INTPEN being established. See Notice FI-2948 about establishing receivables in NRRS.



4 Creating PPI Payment Requests Using the System 36 Check Writing Application

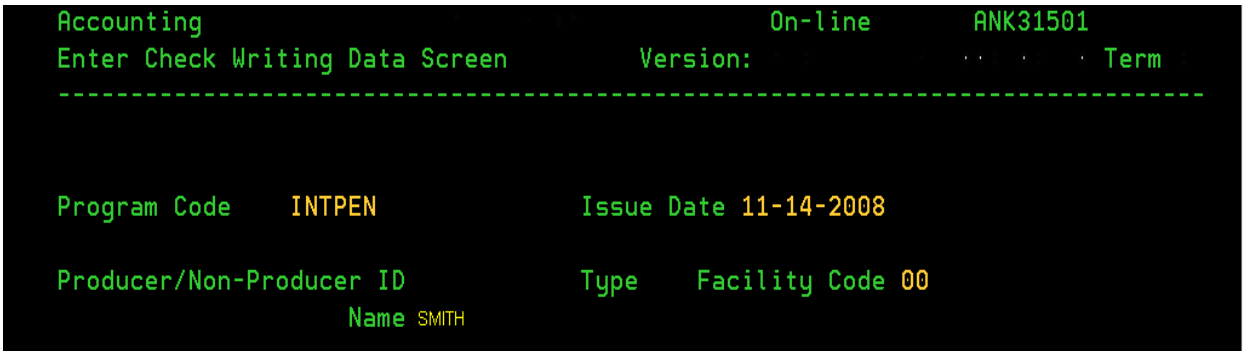
A Initiating INTPEN Payments

The PPI payment **must** be initiated through the System 36 Checkwriting Application. From the "Check Writing Main Menu", select the "Online Check Writing" option. The following Enter Check Writing Data Screen will be displayed.

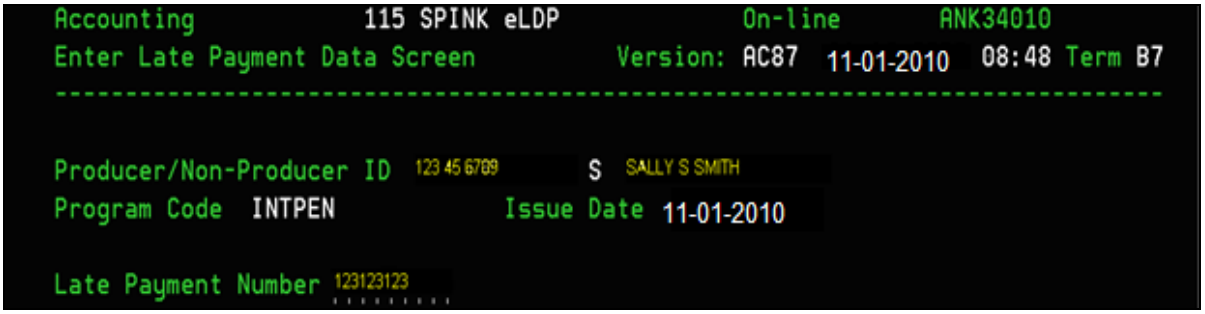
To begin payment request, in the:

- "Program Code" field, ENTER "**INTPEN**"
- "Issue Date" field, enter the current date
- "Producer/Non-Producer ID", "Type", or "Name" fields, enter as applicable.

PRESS "**Enter**" to continue.



The following Enter Late Payment Data Screen will be displayed. In "Late Payment Number" field, ENTER "**22222222**" and PRESS "**Enter**" to continue.



4 Creating PPI Payment Requests Using the System 36 Check Writing Application (Continued)

A Initiating INTPEN Payments (Continued)

The following Enter Late Payment Data Screen will be displayed. When a Payment/Check Number is not found, user must do the following:

- in “Payment Amount” field, enter the original payment amount requested, or the amount of the original payment that was late

  Note: If the total payment was not late, enter the portion of the payment that was late.

- in “Program Code” field, enter the program code used to make original payment
- in “Payment Date” field, enter the original payment date
- in “Due Date”, enter the date the payment was due
- PRESS “**Enter**” to continue.

```
Accounting            115 SPINK eLDP            On-line       ANK34010
Enter Late Payment Data Screen          Version: AC87  11-01-2010  08:52 Term B7
-------------------------------------------------------------------------------

Producer/Non-Producer ID  123 45 6789       S  SALLY S SMITH
Program Code  INTPEN            Issue Date  11-01-2010

Late Payment Number 123123123
Late Payment Information
    Payment Amount 10000              Program Code  ECPSOCATA
      (Principal)
    Payment Date      11/01/2010      Due Date      10/18/2010
```

Example: DCP advance payment of $280 was issued on time. The final payment calculation was $1,000, and was due November 8, 2009. The advance was offset from another payment due the producer. The final payment amount of $1,000 was passed to NPS; however, a system problem prevented the payment from being made until December 18, 2009. For this example, the:

- “Payment Amount” field is “$720”
- “Program Code” field is “DCP”
- “Payment Date” field is “12/18/09”
- “Due Date” field is “11/8/09”.

4 Creating PPI Payment Requests Using the System 36 Check Writing Application (Continued)

A Initiating INTPEN Payments (Continued)

The following Interest Penalty Screen will be displayed. To continue payment request user must do the following:

- review calculated information
- select appropriate "Late Payment Reason"
- PRESS "**Enter**" to continue.

```
Accounting            115 SPINK eLDP            Interest      ANKINT10
Interest Penalty Screen                 Version: AC87  11-01-2010  08:53 Term B7
--------------------------------------------------------------------------------

 Producer/Non-Producer ID 123 45 6789        S    SALLY S SMITH

 Late Payment Information
     Payment Amount     10000.00          Program Code  ECPSOCATA
       (Principal)
     Payment Date     11-01-2010          Due Date   10-18-2010

 A late payment will be created for the above payment.
 Calculated Information
     Number of Days Late          2935    Interest Rate Used     7.250
     Interest Payment           749.59    Program/Payment Type SC
                                          Interest is only calculated to 360 days
 Please Select a Late Payment Reason with an 'X'
          ''  High Number of Payments Being Processed During Payment Cycle
          ''  Delay in Receipt of Required Documentation
          ''  Local Office Misplacing/Mishandling of Documentation
          ''
          X   Computer System Failure

Enter=Continue
```

4 Creating PPI Payment Requests Using the System 36 Check Writing Application (Continued)

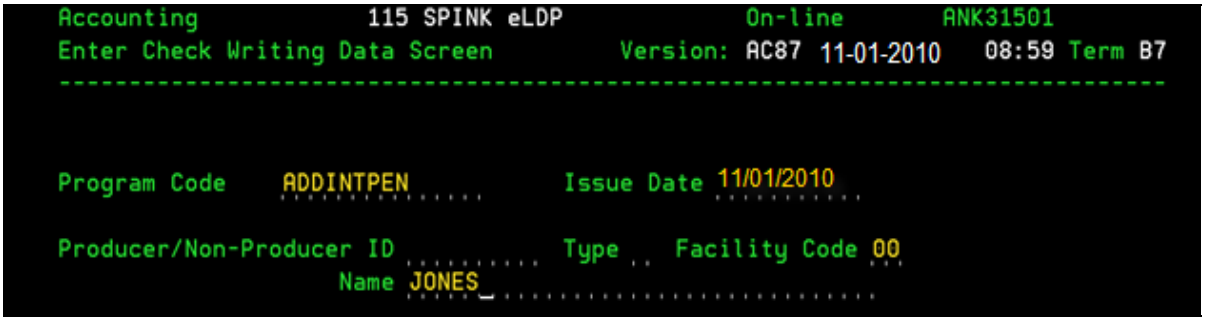
B Initiating Additional INTPEN Payments

Additional INTPEN payments must be initiated through the System 36 Checkwriting Application. From the "Check Writing Main Menu", select the "Online Check Writing" option. The following Enter Check Writing Data Screen will be displayed.

To begin a payment request, in the:

- "Program Code" field, ENTER "**ADDINTPEN**"
- "Issue Date" field, enter the current date
- "Producer/Non-Producer ID", "Type", or "Name" fields, enter as applicable.

PRESS "**Enter**" to continue.



4 Creating PPI Payment Requests Using the System 36 Check Writing Application (Continued)

B Initiating Additional INTPEN Payments (Continued)

The following screen will be displayed. To continue payment request user must:

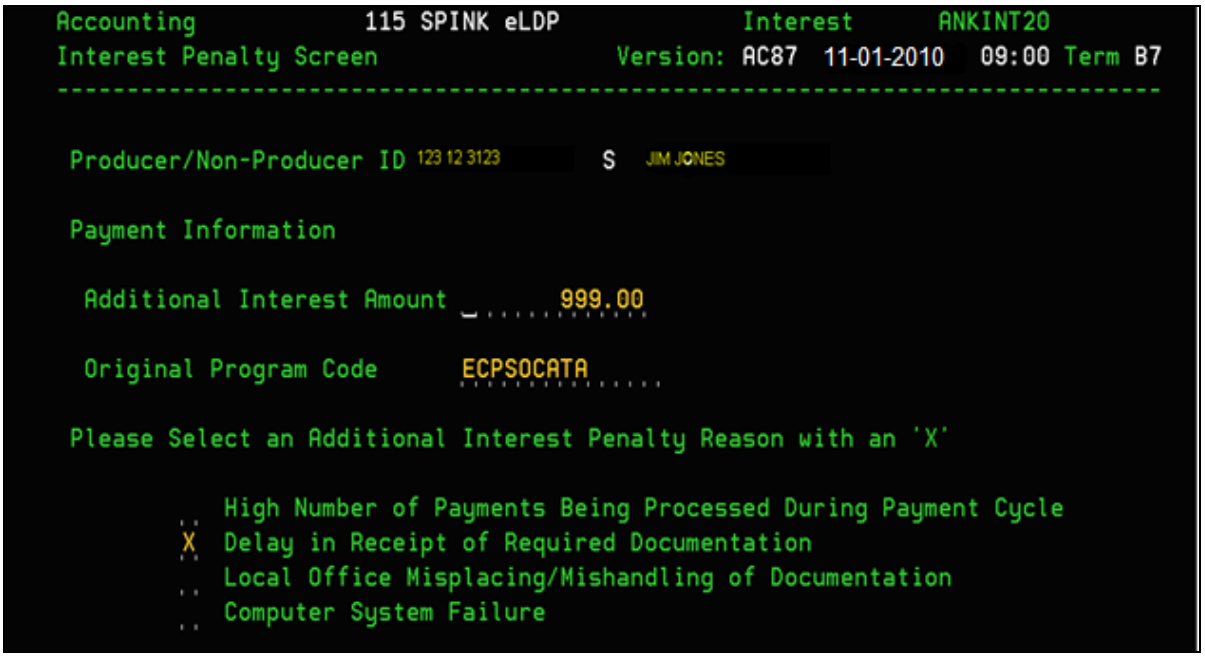
- in the "Additional Interest Amount" field, enter manually calculated amount

  Note: See 61-FI, subparagraph 3 D.

- in the "Original Program Code" field, enter the program code used to make original payment

- select appropriate "Additional Interest Penalty Reason"

- PRESS "**Enter**" to submit payment request to NPS.



4 Creating PPI Payment Requests Using the System 36 Check Writing Application (Continued)

C Initiating "INTPEN" Disbursements for Refunds

When interest is because of offsets or over collections that are held over 8 workdays, INTPEN on the refund is due. "INTPEN" disbursement for refunds must be initiated through the System 36 Checkwriting Application. From the "Check Writing Main Menu", select the "Online Check Writing" option. The following Enter Check Writing Activity Data Screen will be displayed.

To begin the disbursement request, in the:

- "Program Code" field, ENTER "**INTPEN**"
- "Issue Date" field, enter date of the payable
- "Producer/Non-Producer ID", "Type", or "Name" fields, enter as applicable.

PRESS "**Enter**" to continue.

```
Accounting            081 LITTLE RIVER          On-line       ANK31501
Enter Check Writing Data Screen         Version: AE92  03-15-2010 10:33 Term H2
--------------------------------------------------------------------------------


Program Code    INTPEN........      Issue Date 03-15-2010

Producer/Non-Producer ID 345678992  Type S  Facility Code 00
                    Name ..................................
```

The following screen will be displayed when user selects "Enter" from the "Enter Check Writing Data Screen".

To search for the original payment information, in the:

- "Late Payment Number" field, ENTER "**22222222**"
- PRESS "**Enter**" to continue.

```
Accounting            081 LITTLE RIVER          On-line       ANK34010
Enter Late Payment Data Screen          Version: AE92  03-15-2010 10:43 Term H2
--------------------------------------------------------------------------------

Producer/Non-Producer ID  345 67 8992 S  SLYBOY BARKER
Program Code  INTPEN            Issue Date  03-15-2010

Late Payment Number ........
```

4 Creating PPI Payment Requests Using the System 36 Check Writing Application (Continued)

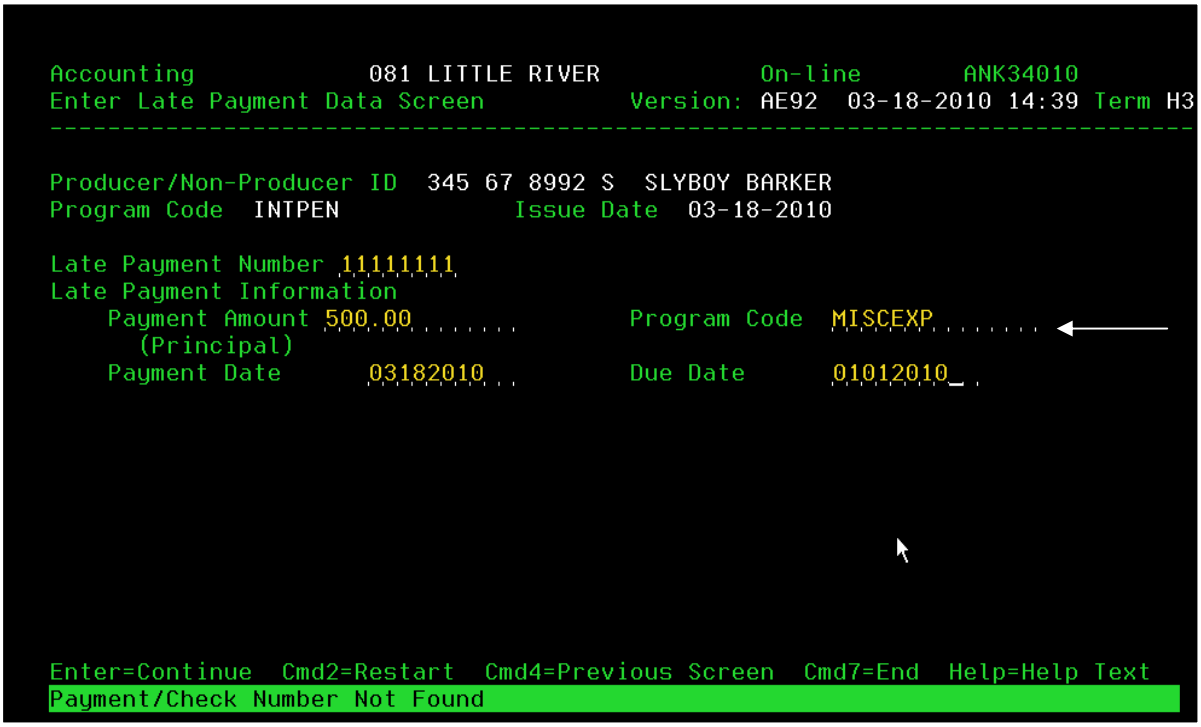
C Initiating "INTPEN" Disbursements for Refunds (Continued)

The following Enter Late Payment Data Screen will be displayed with the message, "Payment/Check Number Not Found" at bottom of screen.

To complete the screen, in:

- "Payment Amount" field, enter the original refund amount
- "Program Code" field, ENTER "**MISCEXP**"
- "Payment Date" field, enter current date
- "Due Date" field, enter the date refund should have been made.

PRESS "**Enter**" to continue.



4 Creating PPI Payment Requests Using the System 36 Check Writing Application (Continued)

C Initiating "INTPEN" Disbursements for Refunds (Continued)

The following Interest Penalty Screen will be displayed with the following calculated information:

- number of days late
- interest rate used
- interest payment
- program/payment type.

Select appropriate "Late Payment Reason" and PRESS "**Enter**" to continue.

```
Accounting            081 LITTLE RIVER          Interest      ANKINT10
Interest Penalty Screen                 Version: AE92  03-18-2010 14:42 Term H3
--------------------------------------------------------------------------------

 Producer/Non-Producer ID 345 67 8992  S   SLYBOY BARKER

 Late Payment Information
     Payment Amount      500.00         Program Code  MISCEXP
       (Principal)
     Payment Date    03-18-2010         Due Date      01-01-2010

 A late payment will be created for the above payment.
 Calculated Information
     Number of Days Late           76   Interest Rate Used    4.875
     Interest Payment            5.16   Program/Payment Type OT

 Please Select a Late Payment Reason with an 'X'
         .. High Number of Payments Being Processed During Payment Cycle
         .. Delay in Receipt of Required Documentation
         .. Local Office Misplacing/Mishandling of Documentation
         X  Computer System Failure

Enter=Continue
```

4 Creating PPI Payment Requests Using the System 36 Check Writing Application (Continued)

C Initiating "INTPEN" Disbursements for Refunds (Continued)

The following Confirm Late Payment Data Screen will be displayed. PRESS "**Enter**" to confirm/create penalty payment.

```
Accounting            081 LITTLE RIVER          On-line       ANK34020
Confirm Late Payment Data Screen        Version: AE92  03-18-2010 14:39 Term H3
--------------------------------------------------------------------------------

Producer/Non-Producer ID  345 67 8992 S  SLYBOY BARKER
Program Code  INTPEN            Issue Date  03-18-2010

Late Payment Number 11111111
Late Payment Information
    Payment Amount ........ 500.00        Program Code  MISCEXP........
      (Principal)
    Payment Date      03-18-2010          Due Date      01-01-2010


Calculated Information
    Number of Days Late          76       Interest Rate Used    4.875
    Interest Payment           5.16       Program/Payment Type
    Reason Code  CF



Enter=Continue  Cmd2=Restart  Cmd4=Previous Screen  Cmd7=End
Press Enter to confirm/create penalty payment.
```

The following processing screen will be displayed. When processing is complete, Check Writing Main Menu ANK000 will be displayed.

```
_



   The DATA CONTROL SYSTEM is now processing data. Please wait ...
```

5 Certifying and Signing INTPEN Payments in NPS

A "INTPEN" or "ADDINTPEN" on NPS Worklist

When the payment is passed to NPS, it will appear on the Certification Worklist. See 1-FI for certification and signing procedures.

B Reference Types on NPS Worklist

The reference types will be:

- "INTPEN", reference type will always be Payment Request (PR)
- "ADDINTPEN", reference type will always be Payment Type (PT).

C Canceling "INTPEN" or "ADDINTPEN"

After the payment request has been sent to NPS, the payment **cannot** be canceled. Notify the contacts in subparagraph 1 C when a payment must be canceled. Include all information in the notification.