

**For:** State and County Offices and KC-ITSD

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

**Approved by:** Associate Administrator for Operations and Management



**1 Overview**

**A Background**

Internal Revenue 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 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 2011 loan collateral acquisitions
  - distributing CCC-1099-A's to producers in January 2012
  - 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
- actions for KC-ITSD.

<b>Disposal Date</b>	<b>Distribution</b>
March 1, 2012	KC-ITSD and State Offices; State Offices relay to County Offices

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**1 Overview (Continued)**

**C System-Generated CCC-1099-A's**

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

**D Contact Information**

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

<b>Issue</b>	<b>Contact</b>
Software related problems.	National Help Desk at 800-255-2434.  <b>Note:</b> Select option "3" for hardware and FSA application software.
Policies in this notice.	Jackie Pickens by either of the following: <ul style="list-style-type: none"><li>• e-mail to <b>jackie.pickens@wdc.usda.gov</b></li><li>• telephone at 202-772-6027.</li></ul>
Data transmission questions.	Delores Smith by either of the following: <ul style="list-style-type: none"><li>• e-mail to <b>delores.smith@kcc.usda.gov</b></li><li>• telephone at 816-926-1440.</li></ul>

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

**2 Action**

**A County Office Action**

County Offices shall take the following action between **January 3 and January 20, 2012**, on Accounting Main Menu AAA000.

<b>Step</b>	<b>Action</b>
1	On Menu AAA000: <ul style="list-style-type: none"><li>• ENTER "7", "IRS Reporting Function"</li><li>• PRESS "<b>Enter</b>" and IRS Reporting Menu AFA105 will be displayed.</li></ul>
2	On Menu AFA105: <ul style="list-style-type: none"><li>• ENTER "1", "IRS Settlements, Forfeitures and Abandonments Reporting"</li><li>• PRESS "<b>Enter</b>" and Loan Transaction Menu AFA110 will be displayed.</li></ul>

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**2 Action (Continued)**

**A County Office Action (Continued)**

<b>Step</b>	<b>Action</b>
3	<p>On Menu AFA110:</p> <ul style="list-style-type: none"> <li>• ENTER “<b>3</b>”, “Print Original CCC-1099-A’s”</li> <li>• PRESS “<b>Enter</b>”.</li> </ul> <p><b>Note:</b> This option:</p> <ul style="list-style-type: none"> <li>• will print all CCC-1099-A’s for producers recorded in the IRS history file</li> <li>• can <b>only</b> be selected between <b>January 3 and 20, 2012</b>.</li> </ul> <p>Review printed CCC-1099-A’s for legibility and accuracy before releasing to producers.</p> <p>A negative report:</p> <ul style="list-style-type: none"> <li>• is <b>required</b> from offices that have no forfeiture, settlement, or abandonment activity</li> <li>• will <b>only</b> be generated by selecting the print option and the negative report will transmit to KC-ITSD.</li> </ul>
4	Mail CCC-1099-A’s to producers no later than <b>January 20, 2012</b> .
5	<p>Transmit IRS transmission files as of <b>COB January 20, 2012</b>.</p> <p><b>Note:</b> 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>
6	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 actions.

<b>Step</b>	<b>Action</b>
1	Monitor transmissions received from County Offices to ensure that IRS history files have been received by <b>COB February 1, 2012</b> .
2	<p>On <b>February 3, 2012</b>, contact State Office computer specialists for each County Office that has <b>not</b> transmitted files to IRS.</p> <p><b>Important:</b> Continue contacting State Offices until <b>all</b> IRS history files have been successfully transmitted to KC-ITSD.</p>