

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency  
Washington, DC 20250

Notice FI-3186

**For:** State and County Offices

**Processing IRS-Mandated Backup Withholding for TTPP Payments**

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



**1 Overview**

**A Background**

Internal Revenue Code section 3403(a)(1)(C) mandates a 28 percent backup withholding on certain payments to taxpayers identified by IRS as subject to backup withholding. Payments subject to withholding are reported on IRS Form 1099-INT and/or IRS Form 1099-OID.

FSA must withhold 28 percent of the portion of payments currently reported on IRS Form 1099-INT and/or IRS Form 1099-OID when notified that a taxpayer is subject to withholding. Currently, the majority of payments affected by the IRS backup withholding are the imputed interest portion of TTPP payments made to quota holders.

The FSA Financial Services (FSAFS) Web Application was modified to include an “Involuntary Withholdings” indicator. However, the indicator cannot be used for TTPP because only the imputed interest of the payment is subject to withholding.

Withholding will be made by setting the “Other Agency Debt” flag in FSAFS, and entering the backup tax withholding in NPS.

**B Purpose**

This notice provides instructions for:

- processing the IRS-mandated backup withholding in NPS for TTPP using the FSAFS “Other Agency Debt” flag
- notifying County Offices that backup withholding is **required**.

Disposal Date	Distribution
January 1, 2015	State Offices; State Offices relay to County Offices
1-3-14	Page 1

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### 1 Overview (Continued)

#### C Contacts

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.  <b>Note:</b> Select option 3 for hardware and application software.
Policies or procedures on making IRS-mandated backup withholdings in NPS.	Contact either of the following: <ul style="list-style-type: none"><li>• Jackie Pickens by:<ul style="list-style-type: none"><li>• e-mail at <b>jackie.pickens@wdc.usda.gov</b></li><li>• telephone at 202-772-6027</li></ul></li><li>• Nancy Chapman by:<ul style="list-style-type: none"><li>• e-mail at <b>nancy.chapman@kcc.usda.gov</b></li><li>• telephone at 816-926-6971.</li></ul></li></ul>
Policy or procedures for IRS backup withholding notifications.	Contact either of the following: <ul style="list-style-type: none"><li>• Rhonda Anthony for TTPP and other programs by:<ul style="list-style-type: none"><li>• e-mail at <b>rhonda.anthony@kcc.usda.gov</b></li><li>• telephone at 816-926-6251</li></ul></li><li>• Sandra Kiefer for other programs by:<ul style="list-style-type: none"><li>• e-mail at <b>sandra.kiefer@kcc.usda.gov</b></li><li>• telephone at 816-926-6931.</li></ul></li></ul>

## 2 Notification From Kansas City to Begin IRS Backup Withholding for TTPP

### A State and County Office Notification

Kansas City will send notification to County Offices by mail when action must be taken for the IRS-mandated backup withholding. The producer's name and TIN will be listed on the notification. After notification has been received, County Offices must set the "Other Agency Debt" flag for the producer in FSAFS. After the flag has been set, a copy of the notification, indicating the "Other Agency Debt" flag has been set, must be FAXed to 816-823-1871. These actions **must** occur **immediately on receipt of notification**. See subparagraph C for an example of the notification letter.

Kansas City will also send an encrypted file through e-mail to State Offices notifying them of County Offices within their State with TTPP contracts applicable to IRS-mandated backup withholding. State Offices will need to work with County Offices to ensure the "Other Agency Debt" flag has been set for each producer.

**Note:** Copies of the notification letter will **not** be distributed to producers.

### B State and County Office Notification of Backup Withholding Amount

Within 2 workdays after the payments request has been sent to NPS, Kansas City will send notification to State Offices by encrypted e-mail identifying the:

- TTPP contracts
- associated TIN
- the amount of backup withholding based on the imputed interest of the TTPP payments.

After this notification is received, the TTPP payments can be certified in NPS according to paragraph 4.



**Note:** The encrypted e-mail will have the subject line, "TTPP Backup Withholding Payment".

## Notice FI-3186

### 2 Notification From Kansas City to Begin IRS Backup Withholding for TTPP (Continued)

#### C Example of Notification Letter

The following is an example of the notification letter that will be mailed to County Offices.

	
<b>United States Department of Agriculture</b>	
Farm and Foreign Agricultural Service	TO: FSA Office
Farm Service Agency	FROM: Payment Management Office, Chief, Payment Reporting and Financing Group
Office of Budget and Finance	SUBJECT: IRS Backup Withholding Notification
Financial Management Services	The IRS (Internal Revenue Service) has identified the producer named below is subject to <u>backup withholding</u> under Internal Revenue Code section 3406(a)(1)(C).
Financial Services Center PO Box 419205 Kansas City, Missouri 64141-6205	Please begin backup withholding at the rate of 28% on all applicable payments made to this producer.
	Producer's name: Producer's ID number:
	These actions must be completed upon receiving this notification:
	<ul style="list-style-type: none"><li>• Set the Other Agency Offset Flag in Financial Services for this quota holder.</li><li>• Fax (816-823-1871) a copy of this letter indicating the flag has been set and the action taken.</li></ul>
	If you have any questions or need additional assistance, please contact Rhonda Anthony at 816-926-6251 or <a href="mailto:rhonda.anthony@kcc.usda.gov">rhonda.anthony@kcc.usda.gov</a> or Sandra Kiefer at 816-220-2444 or <a href="mailto:sandra.kiefer@kcc.usda.gov">sandra.kiefer@kcc.usda.gov</a> .
	
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### 3 Accessing FSAFS and Setting “Other Agency Debt” Flag

#### A Logging Into FSAFS

County Office employees:

- shall log into FSAFS to set the “Other Agency Debt” flag for TTPP participants when notified about an IRS backup withholding
- must have a valid eAuthentication level 2 user ID and password or LincPass to log into the FSAFS web site at <http://fsaintranet.sc.egov.usda.gov/fsa/>.

Employees may log into the FSAFS web site from the FSA Intranet Home Page according to the following:

- under “Resources”, CLICK “**FSA Applications**”
- under “Financial Services”, CLICK “**Financial Applications**”.

The FSA Intranet Financial Applications Home Page will be displayed. CLICK “**FSA Financial Services**” and the USDA eAuthentication Warning Screen will be displayed. CLICK “**I Agree**” and the eAuthentication Login Screen will be displayed.

On the eAuthentication Login Screen, users have the option to enter a valid eAuthentication user ID and password or login with LincPass credentials. CLICK “**Login**”.

### 3 Accessing FSAFS and Setting “Other Agency Debt” Flag (Continued)

#### B Setting “Other Agency Debt” Flag

On the FSAFS Home Page, after selecting the State/county “Worklist” and “Customer”, on the Financial Services Screen, under “FSAFS Menu” “Customer Profile”, CLICK “**Other Debt Offsets**”.

The screenshot displays the FSAFS Financial Services interface. At the top, the USDA logo and 'United States Department of Agriculture Farm Service Agency' are visible. The main header reads 'Financial Services'. Below this, a navigation bar includes links: FSAFS Home, About FSAFS, Help, Contact Us, Exit FSAFS, and Logout of eAuth. The left sidebar, titled 'FSAFS Menu', contains a 'Welcome Jane Doe' section and several menu items: 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 Debt Offsets, Voluntary Withholdings, Involuntary Withholdings), and Go To (NPS, NRRS, eFMS, OLP, FI, E-Forms). A red arrow points to 'Other Debt Offsets' under the Customer Profile section. The main content area, titled 'Financial Services', shows a 'Work List: TEXAS (48) - REEVES (389)' and a 'Customer: Deer Park' with a unique identifier '- XXXXX 1111 S'. Below this, a message states 'Welcome to Financial Services. Use the left navigation to begin.' At the bottom, the text 'FSAFS-WEB01, Last Modified on 10/31/2012' and a 'Back To Top' link are present.

### 3 Accessing FSAFS and Setting “Other Agency Debt” Flag (Continued)

#### B Setting “Other Agency Debt” Flag (Continued)

This is an example of the Other Debt Offsets Screen. Click either of the following:

- “**Add**”, to access the Add Other Debt Offsets Screen
- “**Exit**”, to return to FSAFS Home Page.

**Note:** If the customer is a multi-county producer, the Administrative Office shall be the only office to modify this flag setting. The Administrative Office shall also notify all counties where the customer conducts business about this modification.

The screenshot displays the FSAFS (Financial Services Administration and Financial System) interface. At the top, the USDA logo and 'United States Department of Agriculture Farm Service Agency' are visible, along with the 'Financial Services' header. A navigation bar includes links for 'FSAFS Home', 'About FSAFS', 'Help', 'Contact Us', 'Exit FSAFS', and 'Logout of eAuth'. The left sidebar, titled 'FSAFS Menu', lists various options: 'Welcome Jane Doe', 'Pending Changes', 'Back to Main Menu', 'Assignments' (with sub-options: Assignor View, Assignee View, Add Assignment), 'Joint payments' (with sub-options: View Joint Payment, Add Joint Payment), 'Direct Deposit' (with sub-options: View Direct Deposit, Add Direct Deposit, Direct Deposit Waiver), 'Customer Profile' (with sub-options: Bankruptcy, Other Debt Offsets, Voluntary Withholdings, Involuntary Withholdings), and 'Go To' (with sub-options: NPS, NRRS, eFMS, OLP, FI, E-Forms). A red arrow points to the 'Add' button in the 'Assignments' section. The main content area, titled 'Other Debt Offsets', shows a 'Work List: TEXAS (48) - REEVES (389)' and 'Customer: Deer Park' with a reference number '- XXXXX 1111 S'. Below this, a message states 'This customer has no "Other Agency" debt.' and provides 'Add' and 'Exit' buttons. The footer contains 'FSAFS-WEB78' and a 'Back To Top' link.

### 3 Accessing FSAFS and Setting “Other Agency Debt” Flag (Continued)

#### B Setting “Other Agency Debt” Flag (Continued)

The following is an example of the Add Other Debt Offsets Screen.

- From the “Other Agency debt type” drop-down list, select “**Other Debt**”.
- Enter the “Begin Date (mm/dd/yyyy)” in the correct format.
- Entering the “End Date (mm/dd/yyyy)” is **not** required, but if there is written agreement when the debt will be paid it may be entered in the correct format.
- Enter “Remarks”, including the name of the person making the entry and that this is “TTPP Mandatory Backup Withholding”.

**Note:** Ensure that PII information is **not** entered.

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Financial Services

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

**FSAFS Menu**  
Welcome **Jane Doe**  
▶ 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 Debt Offsets  
▶ Voluntary Withholdings  
▶ Involuntary Withholdings

**Go To**  
▶ NPS  
▶ NRRS  
▶ eFMS  
▶ OLP  
▶ FI  
▶ E-Forms

**Add Other Debt Offsets** ? Help

Work List: TEXAS (48) - REEVES (389)  
Customer: Deer Park - 10000

\*Other Agency debt type: Select One...  
\*Begin Date (mm/dd/yyyy): Select One...  
End Date (mm/dd/yyyy): FLP Delinquent Debt  
FSFL Delinquent Debt  
IRS Tax Levy  
\*Remarks: Other Debt

**Required to create MIDAS offset only (optional):**

Amount (\$):  
Agency Name:  
Agency Address:  
Address Information Line:  
Delivery Address Line:  
City/State/Zip: City State Zip

Continue Back Exit



### 3 Accessing FSAFS and Setting “Other Agency Debt” Flag (Continued)

#### B Setting “Other Agency Debt” Flag (Continued)

Click 1 of the following:

- “Continue”, to pre-finalize adding the other agency debt offsets type
- “Back”, to return to Add Other Debts Offsets Screen
- “Exit”, to return to FSAFS Home Page.

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Financial Services

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

**FSAFS Menu**

Welcome Jane Doe

▸ 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 Debt Offsets  
▸ Voluntary Withholdings  
▸ Involuntary Withholdings

**Go To**

▸ NPS  
▸ NRRS  
▸ eFMS  
▸ OLP  
▸ FI  
▸ E-Forms

**Add Other Debt Offsets** ? Help

**Work List:** TEXAS (48) - REEVES (389)  
**Customer:** Deer Park - XXXXX 1111 S

\*Other Agency debt type: Other Debt

\*Begin Date (mm/dd/yyyy): 11/14/2012  
End Date (mm/dd/yyyy):

\*Remarks: Jane Doe, Reeves, TX  
TTPP Mandatory Backup Withholding

**Required to create MIDAS offset only (optional):**

Amount (\$):  
Agency Name:  
**Agency Address:**  
Address Information Line:  
Delivery Address Line:  
City/State/Zip: City State Zip

Continue Back Exit

FSAFS-WEB79 [Back To Top](#)

### 3 Accessing FSAFS and Setting “Other Agency Debt” Flag (Continued)

#### B Setting “Other Agency Debt” Flag (Continued)

From the Add Other Debt Offsets Screen, review information entered in the fields and click 1 of the following:

- “**Submit**”, to add the other debt offsets
- “**Back**”, to return to Add Other Debt Offsets Screen
- “**Exit**”, to return to FSAFS Home Page.

**Note:** Adding other debt offsets in FSAFS does **not** require secondary approval.

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Financial Services

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

**FSAFS Menu**

Welcome Jane Doe

▸ 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 Debt Offsets  
▸ Voluntary Withholdings  
▸ Involuntary Withholdings

**Go To**

▸ NPS  
▸ NRRS  
▸ eFMS  
▸ OLP  
▸ FI  
▸ E-Forms

**Add Other Debt Offsets** ? Help

**Work List:** TEXAS (48) - REEVES (389)  
**Customer:** Deer Park - XXXXX 1111 S

**Other Agency debt type:** Other Debt  
**Begin Date (mm/dd/yyyy):** 11/14/2012  
**End Date (mm/dd/yyyy):**  
**Remarks:** Jane Doe, Reeves, TX  
**Amount (\$):** TTPP Mandatory Backup Withholding  
**Agency Name:**  
**Address Information**  
**Line:**  
**Delivery Address Line:**  
**City/State/Zip:**

Submit Back Exit

FSAFS-WEB80 Back To Top

### 3 Accessing FSAFS and Setting “Other Agency Debt” Flag (Continued)

#### B Setting “Other Agency Debt” Flag (Continued)

An informational confirmation message will be displayed stating, “Other Agency Debt with ID-XXXXXX was added”. Click either of the following:

- “**Add**”, to enter additional other agency debt offsets
- “**Exit**”, to return to FSAFS Home Page.

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Financial Services

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

**FSAFS Menu**  
Welcome Jane Doe  
 ▶ 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 Debt Offsets** ? Help

**Work List:** TEXAS (48) - REEVES (389)  
**Customer:** Deer Park XXXXX1111 S

**Informational: "Other Agency" Debt with ID=54001 was added.**

ID	Other Agency Debt Type	Last Changed Date	State/County POC
<a href="#">54001</a>	Other Debt	11/15/2012	TEXAS (48) - REEVES (389)

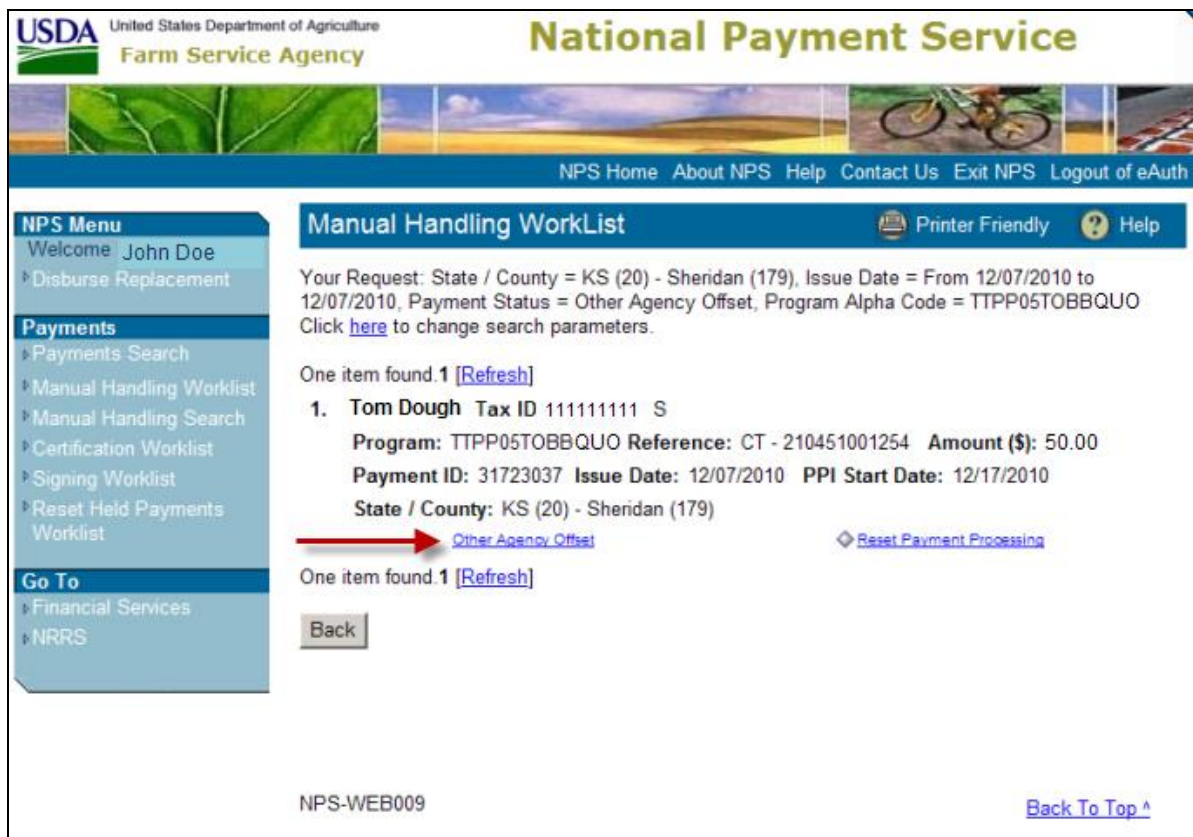
Add Exit

## 4 Entering Offset Information in NPS

### A Manual Handling Worklist “Other Agency Offset”

When other agency debt is passed to NPS, it will be displayed on the Manual Handling Worklist as “Other Agency Offset”. See 1-FI, paragraph 138 for Manual Handling Worklist procedures.

After the applicable payment is selected from the Manual Handling Worklist, CLICK “Other Agency Offset” link.



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# National Payment Service

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

**NPS Menu**  
Welcome John Doe  
Disburse Replacement

**Payments**  
Payments Search  
Manual Handling Worklist  
Manual Handling Search  
Certification Worklist  
Signing Worklist  
Reset Held Payments Worklist

**Go To**  
Financial Services  
NRRS

## Manual Handling WorkList

Printer Friendly Help

Your Request: State / County = KS (20) - Sheridan (179), Issue Date = From 12/07/2010 to 12/07/2010, Payment Status = Other Agency Offset, Program Alpha Code = TTPP05TOBBQUO  
Click [here](#) to change search parameters.

One item found. 1 [Refresh](#)

1. **Tom Dough** Tax ID 111111111 S  
Program: TTPP05TOBBQUO Reference: CT - 210451001254 Amount (\$): 50.00  
Payment ID: 31723037 Issue Date: 12/07/2010 PPI Start Date: 12/17/2010  
State / County: KS (20) - Sheridan (179)  
[Other Agency Offset](#) [Reset Payment Processing](#)

One item found. 1 [Refresh](#)

[Back](#)

NPS-WEB009 [Back To Top ^](#)

## 4 Entering Offset Information in NPS (Continued)

### B Entering Payee Information

When other agency debt is submitted in NPS for the IRS-mandated backup withholdings, County Offices will use their County Office name and address for the check to be mailed to their office for deposit.

The following is an example of the Payment Processing - Other Agency Offset Screen.

**NPS Menu**  
 Welcome: John Doe  
 Disburse Replacement

**Payments**  
 Payments Search  
 Manual Handling Worklist  
 Manual Handling Search  
 Certification Worklist  
 Signing Worklist  
 Reset Held Payments Worklist

**Go To**  
 Financial Services  
 NRRS

**Payment Processing - Other Agency Offset** ? Help

Tom Dough Tax ID: 111111111 S  
 Program: TTPP05TOBBPRO Reference: CT - 210451001254, PY - 2006  
 Payment ID: 31723037 Issue Date: 12/07/2010 PPI Start Date: 12/17/2010  
 State / County: KS (20) - Sheridan (179)  
 Last Updated by: MOKANSASC2DT38 on 12/07/2010  
 Original Payment Amount (\$): 50.00  
 Remaining Payment Amount (\$): 50.00

**Add Other Agency Offset To Payment:**

All required fields are denoted by an asterisk (\*).

\* Amount To Offset (\$): 14.00  
 \* Other Agency Payee Name: Dyer County FSA  
 \* Address 1: 340 Bldg /ref. IRS BWH  
 Address 2: 70th Terr  
 \* City: Alder  
 \* State: MONTANA(30)  
 \* Zip: 59710

☐ Do not Apply Payment to Other Agency Offset

#### 4 Entering Offset Information in NPS (Continued)

##### B Entering Payee Information (Continued)

County Offices shall enter the required information on the Payment Processing - Other Agency Offset Screen, as follows.

- **“Amount to Offset (\$)”,** 28 percent of the imputed interest portion of the TTPP payment.

**Note:** This amount will be sent by an encrypted e-mail from Kansas City to the State Office. The State Office will notify the County Office.

- **“Other Agency Payee Name”,** name of the FSA County Office submitting payment.
- **“Address 1”,** address of the county.

**Note:** To distinguish that this is an IRS backup withholding, after the county address, ENTER **“/ref: IRS BWH”**.

- **“Address 2”,** additional address line, if applicable.
- **“City”,** city in county.
- **“State”,** State of county.
- **“Zip”,** ZIP Code of address.

Click 1 of the following:

- **“Add”,** to have the other agency offset information entered applied against the payment request
- **“Clear”,** to remove the other agency offset information from fields
- **“Exit”,** to return to Manual Handling Worklist Screen.



#### 4 Entering Offset Information in NPS (Continued)

##### B Entering Payee Information (Continued)

The following is an example of the Payment Processing - Other Agency Offset Screen that will be displayed with the offset being applied against the payment request.

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**National Payment Service**

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

**NPS Menu**  
Welcome: John Doe  
Disburse Replacement

**Payments**  
Payments Search  
Manual Handling Worklist  
Manual Handling Search  
Certification Worklist  
Signing Worklist  
Reset Held Payments Worklist

**Go To**  
Financial Services  
NRRS

**Payment Processing - Other Agency Offset** Help

Tom Dough Tax ID: 111111111 S  
Program: TTPPOSTOBBOUC Reference: CT - 210451001254  
Payment ID: 31723037 Issue Date: 12/07/2010 PPI Start Date: 12/17/2010  
State / County: KS (20) - Sheridan (179)  
Last Updated by: NPS.jobScheduler on 10/28/2010  
Original Payment Amount (\$): 50.00  
Remaining Payment Amount (\$): 50.00

1. Agency Name: Dyer County FSA 70th Terr /ref: IRS BWH 340 Bldg Alder, MT 59710	Offset: \$ 14.00	Modify	Delete
---	------------------	--------	--------

**Add Other Agency Offset To Payment:**

All required fields are denoted by an asterisk (\*).

\* Amount To Offset (\$):

\* Other Agency Payee Name:

\* Address 1:

Address 2:

\* City:

\* State:

\* Zip:

☐ Do not Apply Payment to Other Agency Offset

Click 1 of the following:

- **“Modify”**, to edit any other agency offset information that was entered
- **“Delete”**, to remove other agency offset information
- **“Save”**, to apply other agency offset against the payment
- **“Exit”**, to return to Manual Handling Worklist Screen without applying the offset.

After the treasury check is received in the County Office, the County Office will record the receipt in NRRS. See paragraph 5.

## 5 Recording TTPP Participant's Backup Tax Withholdings in NRRS

### A Logging Into NRRS

To access NRRS, on the FSA Intranet Home Page, 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 for instructions to log into NRRS.

### B Recording the Backup Withholding Receipt

Record a new receipt in NRRS according to 64-FI, paragraph 33. On the following Create New Receipt Screen:

- in **"Remittance Amount"** block, enter amount of check
- in **"Remitter Name"** block, enter producer's name in which amount is being withheld
- from **"Remittance Type"** drop-down list, select **"Check"**
- in **"Check/Item Number"** block, enter the Treasury check number
- from **"Collection Type"** drop-down list, select **"Direct Sales"**
- in **"Effective Date (mm/dd/yyyy)"** block, enter current date
- CLICK **"Submit"**.

The screenshot displays the 'Create New Receipt' interface within the National Receipts & Receivables System (NRRS). The top header includes the USDA logo and navigation links. A sidebar on the left provides a menu for various NRRS functions. The main content area is titled 'Create New Receipt' and contains several data entry fields, each with a help icon (?). The fields are: 'Remittance Amount' (14.00), 'Remitter Name' (Tom Dough), 'Remittance Type' (a dropdown menu set to 'Check'), 'Check/Item Number' (12121212), 'Collection Type' (a dropdown menu set to 'Direct Sales'), and 'Effective Date: (mm/dd/yyyy)' (12/18/2010). At the bottom of the form are three buttons: 'Submit', 'Reset', and 'Cancel'.

The Enter Direct Sales Program Information Screen will be displayed.



## 5 Recording TTPP Participant's Backup Tax Withholdings in NRRS (Continued)

### B Recording the Backup Withholding Receipt (Continued)

To record the Direct Sales Program information, on the following Enter Direct Sales Program Information Screen:

- from "Program Code" drop-down list, select "**FEDTAXREQ**"
- from "Select State / County" drop-down list, select applicable State/county
- CLICK "**Submit**".

Prepare and verify the deposit according to 64-FI, paragraph 51.

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National Receipts & Receivables System

Home | About USDA | About NRRS | Help | Contact Us | Exit NRRS | Logout of eAuth

### Enter Direct Sales Program Information

Program Code: FEDTAXREQ ?

Select State / County: 48 TX - 389 Reeves ?

**Submit** **Back** **Reset** **Cancel**

NRRS-Web-5.1.2

## Notice FI-3186

### 6 Completing CCC-44 for TTPP Participants

#### A Sending CCC-44 to Kansas City

Counties **must** account for all IRS-mandated backup withholdings. These withholdings **must** be reported to Kansas City on CCC-44 as soon as the backup withholdings are deposited. Prepare and FAX CCC-44 to Kansas City according to subparagraph B.

#### B Preparing CCC-44's

Prepare CCC-44 according to the following table.

Item	Instructions
1	Enter State name.
2	Enter County Office name.
3	Enter County Office telephone number.
4A	Enter payee's name.
4B	Enter payee's address.
4C	Enter payee's TIN.
4D	Check (✓) box for the applicable TIN type.
5A	Enter program/reference number.  <b>Example:</b> "TTPP Contract SScccXXXXXXXX".
5B	Enter program year.
5C	Enter original payment amount.
5D	Enter dollar amount withheld.
5E	Enter total dollar amount withheld ( <b>total of amounts in column 5D</b> ).
6A	Enter schedule number ( <b>schedule number of deposit for withholdings</b> ).
6B	Enter schedule date ( <b>date of deposit</b> ).
6C	Enter signature of preparer ( <b>County Office preparer</b> ).
6D	Enter date signed by preparer.
6E	Enter signature of second party verifier ( <b>County Office employee who verified form information</b> ).
6F	Enter date signed by verifier.

County Offices shall FAX CCC-44 to Kansas City at 816-823-1871 with a cover sheet stating, "**ATTENTION:** Backup Withholding".

County Offices shall maintain CCC-44 in the County Office "FM" files. These records shall be retained for a period of 6 years, 3 months.

# Notice FI-3186

## 6 Completing CCC-44 for TTPP Participants (Continued)

### C Example of CCC-44

The following is an example of CCC-44. County Offices shall complete for every TTPP participant that has IRS-mandated backup withholdings withheld from program payments.

This form is available electronically.		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
CCC-44 (01-05-11)			
<b>BACKUP WITHHOLDINGS OF COMMODITY CREDIT CORPORATION PAYMENTS</b>			
<b>PART A – GENERAL INFORMATION</b>			
1. STATE NAME	2. Name of County Office	3. County Office Telephone Number (Including Area Code)	
<b>PART B – PAYEE INFORMATION</b>			
4A. Payee's Name	4B. Payee's Address (Including Zip Code)		
4C. Payee's TIN	4D. TIN Type (Check one below): SSN <input type="checkbox"/> EIN <input type="checkbox"/> IRS <input type="checkbox"/>		
<b>PART C – WITHHOLDING PAYMENT INFORMATION</b>			
5A. Program/Reference Number	5B. Program Year	5C. Original Payment Amount \$	5D. Dollar Amount Withheld \$
5E. Total Dollar Amount Withheld:			
<b>PART D – CERTIFICATION OF WITHHOLDINGS</b>			
6A. Schedule Number	6B. Schedule Date (MM-DD-YYYY)		
6C. County Office Employee Preparer's Signature	6D. Date (MM-DD-YYYY)		
6E. Second Party Verification Signature	6F. Date (MM-DD-YYYY)		
<b>COUNTY OFFICE USE ONLY</b>			
<b>County Office Instructions:</b> - Fax completed form to Kansas City at (816) 823-1871 with cover sheet: <b>ATTENTION: Backup Withholding.</b> - Maintain form in FM records.			
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**7 Discontinuing Backup Withholding**

**A Notification of Discontinuing Backup Withholding**

Notification to discontinue withholdings will be sent to the County Office by encrypted e-mail when Kansas City receives notification from IRS that the producer is no longer subject to backup withholdings. The e-mail will be followed up with a copy mailed to the County Office (subparagraph B).

If a producer receives notification from the IRS that they are no longer subject to backup withholding, a copy of the notification **must** be FAXed to Kansas City at 816-823-1871 for verification. After Kansas City has verified the notification, concurring with IRS regulations, they will send the County Office notification to discontinue backup withholdings.



County Offices shall log into FSAFS and uncheck the “Other Agency Debt” box and select “**Modify Profile**”. This will remove the “Other Agency Debt” flag from the producer’s profile.

After the flag has been removed, a copy of this notification indicating the “Other Agency Debt” flag has been removed shall be FAXed to 816-823-1871. County Offices shall complete these actions **immediately on receipt of notification**.

7 Discontinuing Backup Withholding (Continued)

B Example of Discontinuing Backup Withholding Notification Letter

The following is an example of the notification that will be sent to the County Office.

	
United States Department of Agriculture	
Farm and Foreign Agricultural Service	TO: FSA County Office
Farm Service Agency	FROM: Payment Management Office, Payment Reporting and Financing Group
Office of Budget and Finance	SUBJECT: IRS Discontinuation of Backup Withholding Notification
Financial Management Services	The quota holder named below is no longer subject to backup withholding under Internal Revenue Code section 3406(a)(1)(C).
Financial Services Center PO Box 419205 Kansas City, Missouri 64141-6205	This is your notice to discontinue backup withholding on the payments you make to this producer.
	Producer name: Producer's ID number:
	You are requested to take the following actions within 2 business days of receipt of this notice:
	<ul style="list-style-type: none"><li>• Remove the Other Agency Offset Flag in Financial Services for this quota holder.</li><li>• Fax (816-823-1871) a copy of this letter indicating the flag has been removed.</li></ul>
	If the flag to perform backup withholding was previously removed, please fax this letter back indicating the flag was already removed.
	If you have any questions or need additional assistance, please contact Rhonda Anthony at 816-926-6251 or <a href="mailto:rhonda.anthony@kcc.usda.gov">rhonda.anthony@kcc.usda.gov</a> or Sandra Kiefer at 816-220-2444 or <a href="mailto:sandra.kiefer@kcc.usda.gov">sandra.kiefer@kcc.usda.gov</a> .
	
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