

For: State and County Offices

**Reviewing and Modifying Flagged Accounts to Ensure Accurate
Treasury Offset Program (TOP) and Cross-Servicing Referrals**

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

**A
Background**

The Debt Collection Improvement Act of 1996 requires agencies to refer nontax debts that are delinquent to TOP and cross servicing timely and routinely. The House Government Reform Subcommittee on Efficiency, Financial Management, and Intergovernmental Relations recommended that FSA develop and implement oversight procedures to ensure that FSA field offices are updating account flags through the Automated Discrepancy Processing System (ADPS) to accurately reflect the status of delinquent debts.

**B
Purpose**

This notice:

- reminds State and County Offices to timely and accurately update account flags in ADPS
- introduces new MAC Work Load Scheduling (WLS) item code 3040, Quarterly Review of FLP Flags, currently under development
- requires County Offices to use MAC WLS item code 3040, when it becomes available, to track review of account flags.

**C
Contacts**

If there are questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Constance Rime, LSPMD at 202-690-4012.

Disposal Date January 1, 2004	Distribution State Offices; State Offices relay to County Offices
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Notice FLP-289

2 Action

A County Office Action

County Offices must:

- review FmHA Instruction 1951-S, Exhibit O, Description Flags for Farm Loan Programs (FLP) Accounts to determine proper flagging of these accounts
- review all flagged accounts during the last month of each quarter to determine whether the flags need to be changed or removed according to FmHA Instruction 1951-S, Exhibit O.

Note: WLS item code 3040 will be in County Release No. 502. The first review should be in March 2003.

B State Office Action

State Offices must ensure through oversight that County Offices are:

- reviewing flagged accounts quarterly to ensure accurate eligibility for TOP and cross-servicing referral
 - timely updating or removing the ADPS description flags to reflect changes in debt status.
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