

For: State and County Offices

GRP Allowable Administrative Expense Payment Policy

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Under current policy, FSA pays administrative expenses including appraisal payments using an assignment. This will overstate a producer’s farm payments on their IRS-1099.

B Purpose

This notice provides instructions for adding the appraiser or other payees for an allowable administrative expense to AD-1153 so that payments will be made to the appraiser and IRS-1099’s will be correct. Even though these additional payees do not have an interest in the agreement, using this procedure allows for accurate IRS-1099 reporting.

2 County Office Action

A Adding Appraisers or Other Administrative Expense Payee to System 36

If the appraiser or other payee is **not** in the County Office name and address system, add the required information received from NRCS. NRCS will provide the following appraisal or other administrative expense information for each AD-1153:

- name and address
- tax ID number
- amount to be paid
- AD-1153 for which the administrative expense was completed
- type of administrative expense provided.

Disposal Date	Distribution
August 1, 2004	State Offices; State Offices relay to County Offices

Notice GRP-5

2 County Office Action (Continued)

B Adding Appraiser or Other Administrative Expense Payee to AD-1153

After adding the appraiser or other payee information into System 36, County Offices shall add the appraiser or other payee to AD-1153 through Menu EED100 Conservation AD-1153 Application.

C Paying Appraisers

County Offices shall process the appraisal or other administrative expense payments according to Notice GRP-3, subparagraph 2 D. The technical practice code for:

- appraisals is 810
- recording fees is 811
- closing services is 812
- legal services is 813
- other is 899.