

For: State and County Offices

FY 2024 National Payment Integrity Reviews for Inactive DAFP Programs

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Payment Integrity Information Act of 2019 (PIIA) requires Federal agencies to evaluate programs to determine whether internal controls are sufficient to prevent issuing improper payments. Improper payments are defined in 1-IA.

The following dollar values represent the estimated improper payments for FY 2024 based on the findings in the sampling, which include overpayments and underpayments. The FY 2024 improper payment rate increased from FY 2023 for one inactive program within DAFP. The program application period has ended for Coronavirus Food Assistance Program (CFAP). Most findings are administrative errors. The following table provides total improper payment amounts and the national error rates.

Program	2024 Improper Payment Amount	2024 Error Rate	2023 Error Rate
CFAP	\$34,678,338	9.71%	6.65%

Disposal Date	Distribution
June 1, 2025	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose

This notice:

- is being issued as part of FSA’s development, monitoring, and close-out actions for FY 2024 corrective actions, as required under PIIA
- informs State and County Offices about Payment Integrity Review findings for CFAP
- directs follow-up actions within each State and County Office to ensure the following:
 - all offices review administrative errors
 - corrective actions are completed according to policy for current and future programs.

C Contact

For assistance, contact Brittany Sanders, Program Specialist.

Program	Employee	E-mail Address
CFAP	Brittany Sanders	brittany.sanders@usda.gov

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2 FY 2024 Compliance Actions for State and County Offices

A CED Actions

For FY 2024 corrective actions, CED's must ensure the following:

- a corrective action plan (CAP) is developed in coordination with DD and State Program Specialist based on findings and corrective actions in their county that describes:
 - the corrective action taken to address each deficiency finding, such as pursuing collection, requesting relief, issuing additional payments, or determining errors that did not result in an improper payment

Note: Receivables **must** be established for all overpayments, even if relief is requested.

- protections or mitigation strategies that will be implemented to prevent future errors
- corrective actions are monitored, and the status of the actions are reported monthly to DD until completion
- corrective actions are completed by February 14, 2025.

B DD Actions

For FY 2024 corrective actions, DD's must ensure the following:

- CAP is developed in coordination with CED and State Program Specialist based on findings and corrective actions in each county that describes:
 - the corrective action taken to address each deficiency finding, such as pursuing collection, requesting relief, issuing additional payments, or determining errors that did not result in an improper payment

Note: Receivables **must** be established for all overpayments, even if relief is requested.

- protections or mitigation strategies that will be implemented to prevent future errors
- corrective actions are monitored, and the status of the actions are reported monthly to the State Program Specialist until completion
- corrective actions are completed by February 14, 2025.

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2 FY 2024 Compliance Actions for State and County Offices (Continued)

C State Program Specialist Actions

For FY 2024 corrective actions, State Program Specialists must ensure that CAP is developed in coordination with CED's and DD's based on findings and corrective actions within the State that describes:

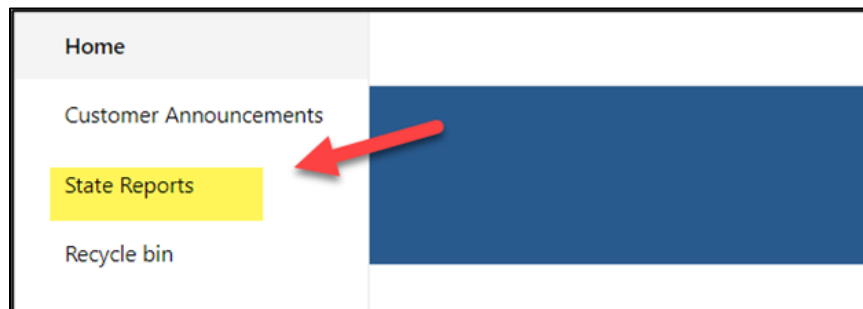
- the corrective action taken to address each deficiency finding, such as pursuing collection, requesting relief, issuing additional payments, or determining errors that did not result in an improper payment

Note: Receivables **must** be established for all overpayments, even if relief is requested.

- protections or mitigation strategies that will be implemented to prevent future errors.

For FY 2024 corrective actions, State Program Specialists also must ensure CAP status is uploaded to the FSA FY 2024 Corrective Action Plans Spreadsheet within the State folder at [FSA Payment Integrity Testing SharePoint](#).

Important: State Reports are accessed by using the quick links on the left side of the homepage



The State Reports Library has individual State folders containing FY 2021, FY 2022, FY 2023, and FY 2024 audit finding PDF's and the Corrective Action Plan Spreadsheet files.

Access to each State folder is limited to State Office personnel (SED's, State review coordinator (SRC), administrative officer, executive officer, program chiefs, program specialists, and DD's) identified in the [Points of Contact \(POC\) List](#) on the FSA Payment Integrity Testing SharePoint homepage.

Access to the POC List is read only. If changes to personnel are needed, the SRC for the State should follow the POC update instructions on the FSA Payment Integrity Testing SharePoint homepage or e-mail Stephanie Hanson at stephanie.hanson@usda.gov.

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2 FY 2024 Compliance Actions for State and County Offices (Continued)

C State Program Specialist Actions (Continued)

The FY24 Corrective Action Plans Spreadsheet provides State findings for the CFAP program reviewed during the audit that includes information pertinent to each identified improper payment and the Performance, Accountability, and Risk Division's determination of whether the improper payment is a monetary or nonmonetary loss. Monetary losses must be recovered from the producer and nonmonetary losses require a corrective action, such as a form to be corrected or updated, redelegations established, underpayments issued, or an action taken other than collection from the producer. Review and provide corrective actions under the applicable program tab, as applicable, using the following column headings for CFAP:

- Column X – State Office Recommendation to County Office

Note: Indicate the State Office recommended corrective action that was provided to the County Office.

- Column Y – Corrective Actions Taken by County Office and Date

Note: Document the corrective action that was taken. For example, if AD-1026 was missing and the corrective action was to collect AD-1026, write “AD-1026 was collected from the producer” in the cell.

- Column Z – Receivable Document Number Established if Applicable

Note: If a receivable was created, provide the number.

- Column AA – Approval and Closure Date by State Office.

Note: The State Office provides status and date closed out in this column.

D SED Actions

SED's must ensure that:

- applicable State Office program divisions:
 - provide additional training for administrative processes such as payment eligibility and acreage reporting where needed
 - implement CAP's to reduce improper payments
- State and County Offices complete corrective actions for all State review findings

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2 FY 2024 Compliance Actions for State and County Offices (Continued)

D SED Actions (Continued)

- additional developed internal control procedures are implemented to reduce findings
- DD’s review this notice with their CED’s, CED trainees, and PT’s
 - corrective actions are completed by February 14, 2025.

3 Results of FY 2024 PIIA Inactive DAFP Programs Reviews

A Compliance, Payment Limitation, and Program Eligibility Errors Affecting CFAP

The following table provides improper payment findings reviewed and the applicable procedural requirements.

Description of Finding	Handbook Reference
Proper signature authority is not on file.	1-CM, Part 25
Acceptable AD-1026 is not on file for the applicant, affiliated persons, or both.	6-CP
AGI certification is not on file.	<ul style="list-style-type: none">• 5-PL, Part 6• 6-PL, Part 8
Payments issued without a signed CCC-902 on file.	<ul style="list-style-type: none">• 5-PL, paragraph 41• 6-PL, paragraph 60

Note: The applicable reference in each specific program handbook is not provided; however, offices must ensure that applicable policy for each specific program is followed according to program requirements.

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3 Results of FY 2024 PIIA Inactive DAFP Programs Reviews (Continued)

B Payment Limitation and Payment Eligibility Form Requirements

All FSA and NRCS program applicants must complete CCC-902 and receive a determination of eligibility from COC or its designee (documented on CCC-903) when the program is subject to payment limitation, payment eligibility rules, or both.

Payment limitation determinations include determinations for substantive change and attribution, including common attribution.

Payment eligibility determinations include determinations for actively engaged in farming, cash-rent tenant, and foreign person rules, as applicable.

Producer certifications must be accurately recorded in Customer Relationship Management-Business Partner, Subsidiary Web Eligibility, and Business File, based on applicable forms filed. **After COC determinations are made**, the determinations must be accurately recorded in Subsidiary Web Eligibility and Business File to ensure that payments are issued only to eligible program applicants.

C CFAP

The following table provides improper payment findings for CFAP payments issued during FY 2024 and the applicable procedural requirements.

Program Area	Description of Finding	1-CFAP and 3-CFAP Reference
Application	Values entered in system are not correct based on the producer's certification, or COC adjustment as applicable.	1-CFAP, subparagraph 50 D 3-CFAP, subparagraph 50 D
	Application was approved by CED, and payment issued without redelegation of authority by COC.	1-CFAP, subparagraph 3 D 1-CFAP, Exhibit 1 3-CFAPsubparagraph 3 D 3-CFAP, Exhibit 1
Payment Eligibility	CCC-860 not on file or properly completed.	3-CFAP, subparagraph 22 D