

For: FSA Offices

MILC Program Prompt Payment Interest (PPI) Clarification

Approved by: Deputy Administrator, Farm Programs



1 MILC Program PPI Policy

A Background

As provided by 61-FI, Exhibit 4, and 11-LD, subparagraph 20 E, PPI will apply to MILC program payments issued by CCC later than 60 calendar days after the latter of the following:

- all production evidence and supporting documentation for the month is provided to the FSA County Office
- all eligibility requirements are met, including receipt of all eligibility documentation
- the National Average Dairy Feed Ration Cost (NADFRC) for the applicable month is announced.

MILC software passes the latter of the production evidence received date or the date the NADFRC is announced to NPS to compute PPI on MILC payments. Since the American Taxpayer Relief Act of 2012 (ATRA) extending the MILC program for FY 2013 was enacted on January 2, 2013, a different date other than the production evidence received date must be entered in the MILC software to correctly calculate PPI from the appropriate start date.

Notices LD-629 and PS-702 provided the appropriate dates to be entered in the MILC software for PPI purposes. However, the dates provided in LD-629 were **only** applicable to September 2012 payments issued **before** the MILC software was temporarily shut down as a Sequestration precaution and should no longer be used. Notice PS-702 did not address September 2012 payments issued after the MILC software was reopened on May 9, 2013, to continue MILC payment processing for all years.

Note: No further action is necessary on any September 2012 payment issued before March 1, 2013.

Disposal Date	Distribution
January 1, 2014	All FSA Office; State Offices relay to County Offices

Notice LD-631

1 MILC Program PPI Policy (Continued)

B Purpose

This notice clarifies the PPI start date for processing MILC program payments for any MILC payment issued since the reopening of MILC software.

C Prompt Payment Interest

County Offices have 60 calendar days to issue payment from the latter of the date all production evidence and supporting documentation is received **or** the date the final MILC payment rate adjusted for feed costs is known and made available. County Offices do not have to manually calculate PPI. The MILC software passes the latter of the production evidence received date or the date the NADFRC is announced to NPS to compute PPI on MILC payments. For PPI purposes, County Offices shall enter in the MILC software, as the date production evidence was received for the applicable month, the **later** of the following:

- date the payment rate is known, as identified in the following table
- actual date the production evidence and supporting documentation for the month was received in the County Office
- date that all eligibility documentation including, AD-1026, CCC-902, CCC-931, CCC-933, etc., is received in the County Office.

Month	Date Payment Rate Known
September 2012	January 2, 2013 Note: The date the MILC payment rate is known for September 2012 is based on the date the enactment of ATRA authorizing MILC program benefits for FY 2013.
October 2012	January 2, 2013 Note: The date the MILC payment rate is known for October 2012 is based on the date the enactment of ATRA authorizing MILC program benefits for FY 2013.
January 2013	February 28, 2013
February 2013	March 27, 2013
March 2013	April 30, 2013

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2 Action

A State Office Action

SED's and STC's shall:

- supervise and monitor MILC to ensure that policies and procedures in this notice are being uniformly followed by County Offices
- forward any MILC program questions to the National Office according to subparagraph C.

B County Office Action

County Offices shall:

- closely monitor the date entered in the "production evidence received" field in the MILC software to ensure the correct PPI start date to accurately calculate PPI on MILC payments, if applicable
- forward questions about the contents of this notice through the State Office specialist.

C National Office Contacts

If there are questions about this notice, State Offices shall contact the appropriate individual according to the following.

Contact	Telephone Number	E-Mail Address	Program Area
Dani Cooke	202-720-1919	danielle.cooke@wdc.usda.gov	MILC policy and procedure.
Asime Atuboyedia	202-720-8223	asime.atuboyedia@wdc.usda.gov	MILC software and Web content.