

For: State and County Offices

Preventing Improper Payments Under LFP

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

LFP signup started on September 14, 2009, for livestock producers who suffered qualifying grazing losses during calendar years 2008 and 2009. The web-based LFP payment software will **not** be available at the beginning of the signup period. A manual payment process has been developed, and County Offices may begin issuing manual LFP payments on or about September 28, 2009.

B Purpose

The notice:

- informs State and County Offices that:
 - CCC-770 ELIG 2002 or CCC-770 ELIG 2008, as applicable, must be completed for each producer before a payment is issued to the producer using the manual payment process
 - FSA-770 LFP must be completed for each producer before a payment is issued to the producer using the manual payment process
- provides instructions for completing FSA-770 LFP.

Disposal Date	Distribution
July 1, 2010	State Offices; State Offices relay to County Offices

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2 Preventing Improper Payments

A Improper Payments

The Improper Payments Information Act of 2002 requires Federal agencies to evaluate programs to determine whether internal controls are sufficient to prevent improper payments. County Offices shall take all steps necessary to ensure that program and payment eligibility requirements have been met before issuing any payments.

OMB defines an improper payment as any payment that should **not** have been issued or was issued in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirement.

B CCC-770 ELIG 2002

CCC-770 ELIG 2002 shall be completed according to 3-PL for each producer before a 2008 LFP payment is issued to the producer using the manual payment process.

C CCC-770 ELIG 2008

CCC-770 ELIG 2008 shall be completed according to 3-PL (Rev. 1) for each producer before a 2009 LFP payment is issued to the producer using the manual payment process.

D FSA-770 LFP

FSA-770 LFP shall be completed:

- according to subparagraph E before an LFP payment is issued to the producer using the manual payment process
- for each year the producer files FSA-925.

Example: Producer A files FSA-925 for calendar years 2008 and 2009. FSA-770 LFP shall be completed for calendar years 2008 and 2009.

County Offices shall ensure that applicable FSA-770 LFP's are completed before issuing LFP payments.

Important: FSA-770 LFP was developed by the National Office and is the only authorized checklist for LFP. County Offices shall **not** use locally or State-developed checklists for administering LFP.

FSA-770 LFP does **not** negate STC, SED, State Office, DD, COC, CED, and County Office responsibility for administering all provisions applicable to LFP.

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2 Preventing Improper Payments (Continued)

E Instructions for Completing FSA-770 LFP

FSA-770 LFP shall be completed according to this table.

Item	Instructions
1	Enter the producer's name.
2	Enter the applicable State name.
3	Enter the County Office name that is completing FSA-770 LFP.
4	Enter the calendar year for which benefits are being requested from FSA-925, item 2.
5-29	ENTER "X" for "YES", "NO", or "N/A", as applicable for each entry.
30	Enter any remarks that may explain special circumstances or explanation for items marked "NO".
31A and B	Any employee that initials 1 or more items from items 5 through 29 shall certify by signing as preparer and entering date of signature.
32A, B, and C	<p>Important: This item will be completed if FSA-770 LFP is selected for spot check.</p> <p>If FSA-770 LFP is selected for spot check, CED or designated representative shall certify:</p> <ul style="list-style-type: none"> • item 32A by checking "Concur" or "Do Not Concur" accordingly if FSA-770 LFP items have been verified and completed • item 32B by signing • item 32C by entering date of signature.
33A, B, and C	<p>Important: This item will be completed if FSA-770 LFP is selected for spot check.</p> <p>If FSA-770 LFP is selected for spot check, STC designee shall certify:</p> <ul style="list-style-type: none"> • item 33A by checking "Concur" or "Do Not Concur" accordingly if FSA-770 LFP items have been verified and completed • item 33B by signing • item 33C by entering date of signature.

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2 Preventing Improper Payments (Continued)

F Example of FSA-770 LFP

The following is an example of FSA-770 LFP.

FSA-770 LFP (09-24-09)	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	1. Producer Name Sonny James	2. State Name Arizona		
LIVESTOCK FORAGE DISASTER PROGRAM CHECKLIST		3. County Office Name Maricopa	4. Calendar Year 2008		
Note: County Offices shall ensure that eligibility has been updated according to CCC-770 ELIG 2002 or CCC-770 ELIG 2008 as applicable, before payments are issued for applicable producer.					
Office Staff Actions		Handbook or Other Reference	YES	NO	N/A
5. Did the eligible livestock owner sign and date FSA-925 by the applicable deadline?		1-LDAP paragraphs 170 and 200	x		
6. Has signature authority been verified for all signatures on FSA-925?		1-CM, Part 25	x		
7. Does the producer meet the requirements of an eligible livestock producer?		1-LDAP, paragraph 171	x		
8. Do all the livestock on FSA-925 meet the requirements for being eligible livestock?		1-LDAP, paragraphs 162 and 171	x		
9. If fire was the qualifying disaster condition causing the grazing loss, did the applicant provide the date and location of the qualifying fire in Item 8 of FSA-925?		1-LDAP, paragraph 200			x
10. Did the applicant provide the physical location of livestock in inventory on the beginning date of the qualifying grazing loss condition in Item 9 of FSA-925?		1-LDAP, paragraph 200	x		
11. Did the applicant provide physical location of current livestock inventory in Item 10 of FSA-925?		1-LDAP, paragraph 200	x		
12. If the grazing loss was due to fire on Federally managed rangelands, did the applicant provide documentation from the Federal agency to show that they were prohibited from grazing on the Federally managed rangeland due to fire?		1-LDAP, paragraphs 171 and 200			x
13. Did the producer obtain a policy or plan of insurance for the forage crop under FCIA or file the required paperwork and pay the administrative fee by the applicable State application closing date for NAP for the grazing land incurring losses?		1-LDAP, paragraph 171	x		
14. If Item 13, is answered "NO", did the COC disapprove FSA-925?		1-LDAP, paragraph 201			x
15. If the producer did not obtain a policy or plan of insurance for the forage crop under FCIA or NAP coverage by the applicable State sales closing date for the grazing land incurring losses, was the grazing loss a 2008 calendar year grazing loss for which the producer paid a buy-in fee by September 16, 2009, for the grazing land for which the producer did not obtain crop insurance or NAP coverage for 2008?		1-LDAP, paragraph 171			x
16. If Item 15, is answered "NO", did the COC disapprove FSA-925?		1-LDAP, paragraph 201			x
17. If the grazing loss was a 2008 calendar year grazing loss for which the producer did not pay a buy-in fee by September 16, 2009, did the producer meet the requirements of a socially disadvantaged, limited resource, or beginning farmer or rancher for which the producer did not have to meet the RMPR requirements?		1-LDAP, subparagraph 171M			x
18. If Item 17, is answered "NO", did the COC disapprove FSA-925?		1-LDAP, paragraph 201			x
19. If the producer did not meet the requirements of a socially disadvantaged, limited resource, or beginning farmer or rancher, was the producer provided equitable relief for not meeting the RMPR requirements?		1-LDAP, subparagraph 171N			x
20. If Item 19, is answered "NO", did the COC disapprove FSA-925?		1-LDAP, paragraph 201			x
21. If a 2008 calendar year loss, has CCC-502, AD-1026, CCC-526, report of acreage been completed and evidence that grazing land is owned or cashed leased been provided by the applicant and on file in the County Office no later than December 10, 2009?		1-LDAP, paragraph 200	x		
22. If item 21 was answered "NO", did COC or CED disapprove FSA-925?		1-LDAP, paragraph 201			x

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2 Preventing Improper Payments (Continued)

F Example of FSA-770 LFP (Continued)

FSA-770 LFP (09-24-09)		Page 2		
Office Staff Actions	Handbook or Other Reference	YES	NO	N/A
23. If a 2008 calendar year loss, has documentation been provided by the applicant to show that RMPR requirements have been met or that a waiver has been approved and the documentation been provided and on file in the County Office no later than December 10, 2009?	1-LDAP, paragraph 200	x		
24. If item 23 was answered "NO", did COC or CED disapprove FSA-925?	1-LDAP, paragraph 201			x
25. If a 2009 or subsequent calendar year loss, has CCC-901, AD-1026, CCC-926, report of acreage been completed and evidence that grazing land is owned or cash leased been provided by the applicant and on file in the County Office no later than 30 calendar days after the end of the calendar year for which the grazing loss occurred?	1-LDAP, paragraph 200			x
26. If item 25 was answered "NO", did COC or CED disapprove FSA-925?	1-LDAP, paragraph 201			x
27. If a 2009 calendar year loss, has documentation been provided by the applicant to show that RMPR requirements have been met or that a waiver has been approved and the documentation been provided and on file in the County Office no later than 30 calendar days after the end of the calendar year for which the grazing loss occurred?	1-LDAP, paragraph 200			x
28. If item 27 was answered "NO", did COC or CED disapprove FSA-925?	1-LDAP, paragraph 201			x
29. Has FSA-925 been signed, dated, and approved by COC, CED, or authorized representative?	1-LDAP, paragraph 201	x		
30. Remarks				
Certification:				
31A. Signature of Preparer(s)	31B. Date (MM-DD-YYYY)	31A. Signature of Preparer(s)	31B. Date (MM-DD-YYYY)	
/s/ John Doe	09/29/2009			
32A. I concur / do not concur the above items have been verified and updated accordingly: <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur				
32B. CED Signature for Spot Check			32C. Date (MM-DD-YYYY)	
33A. I concur / do not concur the above items have been verified and updated accordingly: <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur				
33B. STC Designee Signature for Spot Check			33C. Date (MM-DD-YYYY)	
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3 Action

A County Office Action

CED's shall ensure that:

- CCC-770 ELIG 2002 or CCC-770 ELIG 2008, as applicable, are completed for each producer before LFP payments are issued
- FSA-770 LFP is completed for each producer before LFP payments are issued according to 1-LDAP.

B State Office Action

State Offices shall ensure that County Offices are immediately notified of the contents of this notice.