

For: State and County Offices

Availability of 2008-2010 LIP Payment Software

Approved by: Deputy Administrator, Farm Programs



1 Reconciling Manual LIP Payments

A Background

Notices LDAP-6 and LDAP-19 provided instructions for issuing manual payments for 2008-2010 LIP. These earlier notices advised that:

- manual payments would be reconciled when the automated LIP payment software became available
- producers who were later found not to meet general eligibility requirements would be required to refund any unearned LIP payment with interest.

B Purpose

This notice:

- advises State and County Offices that 2008-2010 LIP Automated Payments will be processed for all approved applications the evening of June 18, 2010
- advises that eFunds LIP manual payments will be suspended COB June 11, 2010
- provides procedures for reconciling manual LIP payments with automated LIP payment processing.

Important: Because the web-based LIP payment process will run for all approved LIP applications **without** user intervention, County Offices **must** complete reconciliation procedures in this notice by COB June 18, 2010.

Disposal Date	Distribution
November 1, 2010 6-4-10	State Offices; State Offices relay to County Offices

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1 Reconciling Manual LIP Payments (Continued)

C Instructions for Reconciling Manual LIP Payments

Before COB on June 18, 2010, County Offices **must** establish a receivable for all manual LIP payments according to the following table.

Step	Action
1	<p>From OLP print a Payment Summary Report of all manual LIP payments issued with the following program codes:</p> <ul style="list-style-type: none"> • 08NALIPTF • 09NALIPTF • 10NALIPTF. <p>Note: See 1-FI, subparagraph 68 B for instructions on printing the Summary Report.</p>
2	<p>Establish a receivable for the “Current Payment” amount for each producer shown on the Payment Summary Report by:</p> <ul style="list-style-type: none"> • updating the LIP payment request in OLP by reducing the payment amount to zero; when the payment amount is changed to zero, the receivable will be established according to 1-FI, subparagraph 65 I • using debt basis code 10-451 to establish the receivable; County Offices must use this debt basis code to ensure that demand letter processing is suppressed for the established receivables. <p>Note: County Offices shall not establish receivables before June 14, 2010, to ensure that the receivable is not offset against another payment due the producer.</p>
3	<p>Delete the payment limitation reduction record by the amount entered for the manual LIP payment as instructed in Notice PL-209.</p> <p>Note: Failure to delete the reduction amount will prevent the LIP payment from processing.</p>
4	<p>The automated LIP payment process will run after COB June 18, 2010. All approved LIP applications will be processed and will be available in NPS the morning of June 21, 2010.</p> <p>Note: A forthcoming 1-LDAP amendment will provide instructions on issuing automated LIP payments.</p> <p>The receivables established in step 2 will be offset by the producer payments created during the automated payment process. If the amount of the automated calculated payment amount is:</p> <ul style="list-style-type: none"> • the same as the manual payment, the receivable will be paid in full and no additional payment will be due the producer • more than the manual payment, the receivable will be paid in full and a payment will be automatically issued to the producer • less than the amount of the manual payment, the receivable established will have a remaining balance, which will be collected through normal debt collection procedures. <p>Note: On the morning of June 21, 2010, if an automated LIP payment appears on a work list and an offset has not been applied because the receivable has not been established, County Offices shall:</p> <ul style="list-style-type: none"> • put the payment in “Hold for Program Cancel” • establish the receivable • reset the held payment, which will reset payment processing and capture the receivable. <p>See 1-FI, paragraphs 139 through 141 for complete instructions.</p>

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2 Action

A State Office Action

State Offices shall:

- ensure that County Offices:
 - are immediately informed of the contents of this notice
 - follow instructions according to subparagraph 1 C to reconcile LIP manual payments
- monitor County Offices to ensure that receivables are established.

Note: A report of nonautomated payments that have been issued will be provided to States during the week of June 14, 2010.

B County Office Action

CED's shall ensure that receivables are established by COB June 18, 2010

C Contact

If there are any questions about this notice:

- County Offices shall contact their State Offices
- State Offices shall contact Lenior Simmons by either of the following:
 - e-mail to **lenior.simmons@wdc.usda.gov**
 - telephone at 202-720-9070.