

For: State and County Offices

Availability of 2008 Through 2010 LFP Payment Software

Approved by: Deputy Administrator, Farm Programs



1 Reconciling Manual LFP Payments

A Background

Notices LDAP-12 and LDAP-21:

- provided instructions for issuing manual payments for 2008 through 2010 LFP
- advised that:
 - manual payments would be reconciled when the automated LFP payment software became available
 - producers who were later found **not** to meet general eligibility requirements would be required to refund any unearned LFP payment with interest.

B Purpose

This notice:

- advises State and County Offices that:
 - 2008 through 2010 LFP automated payments will be processed for all approved applications the evening of February 21, 2011
 - transaction statements will be sent to producers for the automated payments that will be used to satisfy the receivables established for the manual LFP payments

Disposal Date	Distribution
August 1, 2011	State Offices; State Offices relay to County Offices
1-11-11	

Notice LDAP-34

1 Reconciling Manual LFP Payments (Continued)

B Purpose (Continued)

- advises that eFunds for LFP manual payments will be suspended COB January 18, 2011
- provides procedure for reconciling manual LFP payments with automated LFP payment processing

Important: Because the web-based LFP payment process will run for all approved LFP applications **without** user intervention, County Offices **must** complete reconciliation procedures in this notice by COB February 18, 2011.

- provides procedure allowing for other program payments to not be offset by the LFP receivable established for the manual payment before the automated LFP payment being processed.

C Instructions for Reconciling Manual LFP Payments

Starting January 24, 2011, and before COB February 18, 2011, County Offices **must** establish receivables for all manual LFP payments according to the following.

Note: County Offices shall:

- **not establish manual receivables**
- **follow the instructions in this table to create receivables for LFP payments issued through the Online Payment System (OLP).**

Step	Action
1	<p>From OLP, print a Payment Summary Report of all manual LFP payments issued with the following program codes:</p> <ul style="list-style-type: none">• 08NALFPTF• 09NALFPTF• 10NALFPTF. <p>Note: See 1-FI, subparagraph 68 B for instructions on printing the Payment Summary Report.</p>

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1 Reconciling Manual LFP Payments (Continued)

C Instructions for Reconciling Manual LFP Payments (Continued)

Step	Action
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 LFP payment request in OLP by reducing the payment amount to zero <p>Note: When the payment amount is changed to zero, the receivable will be established according to 1-FI, subparagraph 65 I.</p> <ul style="list-style-type: none">• using debt basis code 452 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>Notes: County Offices shall not establish receivables before January 24, 2011, to ensure that the receivable is not offset against another payment due the producer.</p> <p>The National Office will provide State Offices with a list of manual payments that have not been transferred to receivables during week of February 14, 2011.</p> <p>Although prompt payment interest may have been issued to the producer for the initial LFP payment, the prompt payment interest payment was due the producer so County Offices shall not establish a receivable for the prompt payment issued to the producer.</p>
3	<p>Applicable to 2008 LFP only. Delete the payment limitation reduction record by the amount entered for the manual LFP payment as instructed in Notice PL-209 and 3-PL (Rev. 1), paragraph 142.</p> <p>Note: Failure to delete the reduction amount will prevent the 2008 LFP payment from processing.</p>

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1 Reconciling Manual LFP Payments (Continued)

C Instructions for Reconciling Manual LFP Payments (Continued)

Step	Action
4	<p>The automated LFP payment process will run after COB February 21, 2011. All approved LFP applications will be processed.</p> <p>Note: A forthcoming 1-LDAP amendment will provide instructions on issuing automated LFP 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>Notes: On the morning of February 22, 2011, if an automated LFP payment appears on a worklist 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 e-Funds

A e-Funds Availability

Manual LFP payments were issued through e-Fund 2564. After the County Office has established the LFP receivable for the manual payment by following the instructions in subparagraph 1 C, step 2, OBF will automatically populate the automated payment e-Fund 2571 with the amount of the manual payment for the applicable County Office.

Note: State Offices shall **not** move e-Funds between County Offices because there will not be adequate e-Funds available to issue automated LFP payments.

If new LFP payments need to be issued and additional funds are required, State Offices shall contact the National Office to request additional allotments by sending an e-mail with the requested amount to **all** of the following:

- sandy.bryant@wdc.usda.gov
- steve.peterson@wdc.usda.gov
- tina.nemec@wdc.usda.gov
- lenior.simmons@wdc.usda.gov.

3 LFP Receivables Established in NRRS Before Automated LFP Payment Processing

A Program Payments Offset By LFP Receivable Amount

Because of the timeframe for establishing receivables in NRRS for LFP payments issued manually and the date the automated LFP payments will be processed, there is the possibility the LFP receivable may be offset from other program payments.

For example, 2011 DCP/ACRE advance direct payments for producers having selected February as the advance payment month will start being processed as of February 1, 2011. If the producer receiving a 2011 DCP/ACRE advance direct payment in February also has an LFP receivable established then the 2011 DCP/ACRE advance direct payment will be offset by the amount of the LFP receivable since the automated LFP payment will not have been processed yet.

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3 LFP Receivables Established in NRRS Before Automated LFP Payment Processing (Continued)

A Program Payments Offset By LFP Receivable Amount (Continued)

The following provides steps that can be taken to allow for the program payment to be issued without being offset for the amount of the LFP receivable.

Important: The following steps:

- should only be followed **after** the program payment is on the certification list in NPS with an offset applied for the LFP receivable
- only apply until automated LFP payments are issued.

Step	Description
1	In NRRS, change the status of the LFP receivable to "Open - KC Review". See 64-FI, paragraph 24.
2	Return to the NPS certification list and CLICK "Reset payment processing" on the affected payment. The receivable should not appear. Certify and sign the payment.
3	After the payment has been signed, return to NRRS and reset the receivable status to "Open".

4 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 LFP manual payments
 - do **not** establish receivables for prompt payment issued to the producer for the manual LFP payment
 - follow paragraph 3 when applicable **before** automated LFP payment processing
- monitor County Offices to ensure that receivables are established by COB February 18, 2011.

Notes: A report of nonautomated LFP payments that have been issued will be provided to State Offices during the week of January 31, 2011.

State Offices will also be provided with a list of manual payments that have **not** been transferred to receivables during week of February 14, 2011.

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4 Action (Continued)

B County Office Action

County Offices shall:

- follow instructions according to subparagraph 1 C to reconcile LFP manual payments
- establish receivables for all manual LFP payments by COB February 18, 2011

Note: CED's shall ensure that receivables are established by COB February 18, 2011.

- follow paragraph 3 when applicable **before** automated LFP payment processing
- not establish receivables for prompt payment issued to producers for manual LFP payments
- be aware that prompt payment cannot currently be issued for automated LFP payments.

C Contact

If there are any questions about this notice:

- County Offices shall contact State Offices
- State Offices shall contact Tina Nemec by either of the following:
 - e-mail at **tina.nemec@wdc.usda.gov**
 - telephone at 202-690-4027.