

For: State and County Offices

**Manual Process for 2008 and 2009 LIP Payments**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The Food, Conservation, and Energy Act of 2008 authorized LIP. LIP provides compensation to eligible livestock producers who have incurred livestock death losses in excess of normal mortality, on or after January 1, 2008, and before October 1, 2011. Eligible losses as a result of adverse weather, as determined by the Secretary during the calendar year, include blizzards, disease, extreme cold, extreme heat, floods, hurricanes, and wildfires.

Livestock owners and contract growers who suffered livestock losses during 2008 and 2009 started signup on July 13, 2009. The web-based LIP payment software will not be available at the beginning of the sign-up period. A manual payment process has been developed and County Offices may begin issuing manual LIP payments on or about July 20, 2009.

**B Purpose**

This notice informs State and County Offices that:

- eligible producers may request a manual 2008 LIP payment by signing FSA-927
- eligible producers may request a manual 2009 LIP payment by signing FSA-928
- the LIP payment amount may be calculated using FSA-915
- a manual payment process will be used to issue LIP payments until the automated LIP payment process is deployed
- a manual LIP payment shall **not** be issued unless all required LIP documentation is on file and FSA-914 has been approved by COC according to 1-LDAP.

Disposal Date	Distribution
February 1, 2010 7-17-09	State Offices; State Offices relay to County Offices

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### 1 Overview (Continued)

#### C Producer Request for a Manual LIP Payment

To receive a manual LIP payment, the producer:

- must sign and date FSA-927 for a 2008 LIP payment
- must sign and date FSA-928 for a 2009 LIP payment
- must complete all required forms about matters of general eligibility
- must meet all general eligibility requirements.

**Notes:** All LIP payments issued manually will be reconciled when the automated LIP payment software becomes available. County Offices will be provided with reconciliation procedures at that time.

The LIP payment will be refunded with interest in the event it is determined that any of the general eligibility requirements are **not** met.

### 2 Manual Payment Process

#### A Determining the LIP Payment Amount

The LIP payment amount will be determined by completing FSA-915. Instructions for completing FSA-915 will be included in a forthcoming LDAP notice. The estimated LIP payment does **not** take into account any payment reductions for the following:

- AGI
- substantive change
- direct attribution.

If applicable, these reductions will be determined once the LIP payment software is available and the applications are processed in the automated system. If any of these reductions apply, the producer will be required to refund the amount of the reduction, plus interest.

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### 2 Manual Payment Process (Continued)

#### B Determining Producer Eligibility

County Offices must manually review eligibility files to determine whether a producer or members of joint operations meet the following eligibility conditions according to 1-LDAP:

- AD-1026 compliance provision
- average AGI provisions according to 1-PL (**2008 LIP only**)
- average AGI provisions according to 4-PL (2009 and subsequent years LIP)
- conservation compliance –farm/tract eligibility
- controlled substance provisions
- fraud, including FCIC, determination
- person eligibility according to 1-PL (**2008 LIP only**)
- CCC-901 on file for legal entities according to 4-PL (2009 and subsequent years LIP).

#### C Recording Assignments and Joint Payments

Assignments and joint payments must be loaded in the Financial Services web application using program code “08NALIPTF” for 2008 and “09NALIPTF” for 2009. Instructions for loading assignments and joint payments in the Financial Services web application are included in Notice FI-2878.

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### 2 Manual Payment Process (Continued)

#### D Funds Control

A separate funds control will be established for the manual LIP payment process. Initial allotment amounts will be provided to State Offices for the nonautomated LIP payments during the week of July 20. States Offices shall forward a request for additional funds to the National Office by submitting an e-mail to **all** of the following National Office contacts:

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

State Offices will be responsible for moving money to County Offices through the funds control process. If additional funds are required, County Offices should contact the appropriate State Office specialist. The State Office specialist should do either of the following:

- reallocate funds from 1 or more County Offices
- allocate those funds to the requesting County Office or contact the National Office to request additional funds.

#### E Issuing LIP Payments Through the Online Payment Application

Follow procedures in Notice FI-2874 to issue payments through the web-based online payment application, using the following:

- program code "08NALIPTF" for 2008 LIP
- program code "09NALIPTF" for 2009 LIP
- contract number "0001"

**Note:** "CT" is the reference code.

- payment amount determined on FSA-915
- the prompt pay due date, which is 30 calendar days after the producer signs, dates, and submits a properly completed application and all required documentation for payment.

**Note:** The non-automated LIP program codes are temporary and will no longer be available for use to issue payments when the LIP payment software is available. Additional procedures will be provided for the automated LIP payments and overpayment processing.

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### 3 Action

#### A County Office Action

CED's shall ensure that:

- producers complete FSA-927 and/or FSA-928 before issuing manual LIP payments
- 2009 LIP payment amount and producer eligibility are determined according to subparagraphs 2 A and B, respectively
- FSA-770 LIP is completed for each producer before payments are issued
- CCC-770 Eligibility or CCC-770 ELIG 2008, as applicable, is completed for each producer before payments are issued.

#### B State Office Action

State Offices shall:

- ensure that County Offices are immediately informed of the contents of this notice
- request funds according to subparagraph 2 D.

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### 4 Completing FSA-927 for 2008 LIP

#### A Instructions to Complete FSA-927

All producers requesting a 2008 LIP payment are required to complete FSA-927 to receive a manual payment. County Offices shall:

- provide FSA-927 to each producer requesting a manual 2008 LIP payment
- briefly discuss the manual payments with the producer to ensure that he or she understands that the calculated manual payment may be amended when automation software becomes available and any overpayment must be refunded with interest
- ensure that proper signature authority has been obtained according to 1-CM, Part 25.

County Offices shall follow this table to complete FSA-927 for producers requesting a 2008 LIP.

Item	Instructions
1	Manually write in the State and county codes of the location where the producer is requesting the payment.
2A	Manually write in the County Office name and address where the producer is requesting the payment.
2B	Manually write in the County Office telephone number
3A	The producer shall print his or her name and address.
3B	The producer shall provide a contact telephone number.
4A	The producer shall sign his or her name.
4B	The producer shall provide his or her relationship to the person or entity receiving the payment, if applicable.
4C	The producer shall provide the date FSA-927 was signed.

After the producer has completed FSA-927, make a copy of the completed FSA-927 for the producer and place the original in the producer's farm folder.

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### 4 Completing FSA-927 for 2008 LIP (Continued)

#### B Example of FSA-927

The following is an example of FSA-927.

This form is available electronically.		
<b>FSA-927</b> (07-09-09)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Farm Service Agency	1. State and County Code
<b>STATEMENT OF COMPLIANCE WITH PROGRAM PROVISIONS                  OF THE 2008 LIVESTOCK INDEMNITY PROGRAM (LIP) AND                  WAIVER OF FINALITY OF PAYMENT PROVISIONS</b>		2A. County FSA Office Name and Address (Including ZIP Code)
		2B. Telephone Number (Including Area Code)
<b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246), 7 CFR 760, subpart E. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.		
This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of criminal and civil fraud, privacy, and other statutes, including may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b>		
<b>PART A - PRODUCER INFORMATION</b>		
3A. Name and Address of Producer (Including ZIP Code)		3B. Telephone Number (Including Area Code)
<b>PART B - PRODUCER CERTIFICATION</b>		
Certain otherwise automated cross-checks on compliance for the 2008 LIP cannot be made at this time. So that the Applicant listed above may be paid at this time, if otherwise eligible, I state (and certify) the following:		
<p><b>(1) Payment Limitations and Average Adjusted Gross Income (AGI) Determinations.</b> I understand that no "person", as defined and determined under the provisions of 7 CFR Part 1400 in effect for 2008 can receive more than \$100,000 total in 2008-crop year payments under the Emergency Assistance for Livestock, Honey Bees, Farm-Raised Fish Program (ELAP), Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), and Supplemental Revenue Assistance Payments Program (SURE), and that such limit is a combined limit for all ELAP, LFP, LIP, and SURE payments for all counties. I certify that no "person" with an interest in this payment will exceed that level. Further I assert that no individual or entity with an interest in the payment had a reportable (to the Internal Revenue Service) average adjusted gross income (AGI) of more than \$2.5 million for 2005, 2006 and 2007 under the provisions in 7 CFR Part 1400 in effect for 2008. (A individual or entity with an average AGI over that amount cannot benefit from ELAP, LFP, LIP, or SURE payments.)</p> <p><b>(2) Conservation and Other Requirements.</b> No person with an interest in the payment or any affiliated person in 2008 planted on highly erodible land without a USDA-approved plan, or at any time since 1985 converted a wetland to an agricultural use. An affiliated person for purposes of this certification is any entity in which a person has a direct or financial interest or any spouse or minor child. I certify that all other eligibility requirements have been met.</p> <p><b>(3) Finality Provisions Inapplicable and Waived.</b> I understand that the payments made under this certification are intended to be <u>preliminary payments</u> only, pending compliance checks. Finality provisions that might otherwise apply to make the payment unreviewable shall not apply and are, in any event, <u>waived</u> by me as a condition of receiving the preliminary payment by way of this certification and as a condition for the receipt of the payment.</p> <p><b>(4) Refunds of Payment.</b> Should any overpayment be made, such overpayment shall be refunded, with interest at the rate provided in 7 CFR Part 792, beginning from the <u>date of the disbursement</u> of the funds. Other remedies may apply.</p> <p><b>(5) Accuracy of Certification.</b> I state that this certification is accurate, I have the authority to submit this certification, and understand that it will be relied upon to make a federal payment. I know the facts certified to and the eligibility requirements of the program.</p>		
<b>PART C - PRODUCER SIGNATURE</b>		
4A. Signature (By):	4B. Title/Relationship of the Individual If Signing in a Representative Capacity	4C. Date (MM-DD-YYYY)
Note: This certification has been designed to cover compliance issues broadly and it is possible that in some instances a payment may nonetheless be due even if the certification cannot be signed. Persons who cannot make this certification but otherwise believe the payment is due should file a statement with the local office explaining why the certification cannot be made but why such payment is believed to be due, in which the person states that but for the explanation that person is otherwise making the declarations required by this certification.		
The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.		

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### 5 Completing FSA-928 for 2009 LIP

#### A Instructions to Complete FSA-928

All producers requesting a 2009 LIP payment are required to complete FSA-928 to receive a manual payment. County Offices shall:

- provide FSA-928 to each producer requesting a manual 2009 LIP payment
- briefly discuss the manual payments with the producer to ensure that he or she understands that the calculated manual payment may be amended when automation software becomes available and any overpayment must be refunded with interest
- ensure that proper signature authority has been obtained according to 1-CM, Part 25.

County Offices shall follow this table to complete FSA-928 for producers requesting a 2009 LIP.

Item	Instructions
1	Manually write in the State and county codes of the location where the producer is requesting the payment.
2A	Manually write in the County Office name and address where the producer is requesting the payment.
2B	Manually write in the County Office telephone number
3A	The producer shall print his or her name and address.
3B	The producer shall provide a contact telephone number.
4A	The producer shall sign his or her name.
4B	The producer shall provide his or her relationship to the person or entity receiving the payment, if applicable.
4C	The producer shall provide the date FSA-928 was signed.

After the producer has completed FSA-928, make a copy of the completed FSA-928 for the producer and place the original in the producer's farm folder.

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5 Completing FSA-928 for 2009 LIP (Continued)

B Example of FSA-928

The following is an example of FSA-928.

<p>This form is available electronically.</p> <p><b>FSA-928</b> U.S. DEPARTMENT OF AGRICULTURE (07-09-09) Farm Service Agency</p>		
<p align="center"><b>STATEMENT OF COMPLIANCE WITH PROGRAM PROVISIONS OF THE 2009 LIVESTOCK INDEMNITY PROGRAM (LIP) AND WAIVER OF FINALITY OF PAYMENT PROVISIONS</b></p> <p><small>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246), 7 CFR 760, subpart E. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</small></p> <p><small>This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of criminal and civil fraud, privacy, and other statutes, may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></small></p>		1. State and County Code
		2A. County FSA Office Name and Address (Including ZIP Code)
		2B. Telephone Number (Including Area Code)
<p><b>PART A - PRODUCER INFORMATION</b></p>		
3A. Name and Address of Producer (Including ZIP Code)	3B. Telephone Number (Including Area Code)	
<p><b>PART B - PRODUCER CERTIFICATION</b></p> <p>Certain otherwise automated cross-checks on compliance for the 2009 LIP cannot be made at this time. So that the Applicant listed above may be paid at this time, if otherwise eligible, I state (and certify) the following:</p> <p><b>(1) Payment Limitations and Adjusted Gross Income (AGI) Determinations.</b> I understand that no person, or legal entity (excluding a joint venture or general partnership) as determined by the rules provided for in 7 CFR part 1400, <u>directly</u> or <u>indirectly</u>, can receive more than \$100,000 total in 2009-crop year payments under the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP), Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), and Supplemental Revenue Assistance Payments Program (SURE), and that such limit is a <u>combined</u> limit for all attributable ELAP, LFP, LIP, and SURE payments for <u>all</u> counties. I certify that no person or legal entity with a direct interest in this payment or with an indirect interest through a legal entity at any sub-level will exceed that level. Further I assert that no person with a direct or indirect interest in the payment had a reportable (to the Internal Revenue Service) average nonfarm adjusted gross income (AGI) of more than \$500,000 for the 2005-2007 tax years. (A person with an average nonfarm AGI over that amount cannot benefit, directly or indirectly from ELAP, LFP, LIP, or SURE payments.)</p> <p><b>(2) Conservation and Other Requirements.</b> No person with an interest in the payment or any affiliated person in 2009 planted on highly erodible land without a USDA-approved plan, or at any time since 1985 converted a wetland to an agricultural use. An affiliated person for purposes of this certification is any entity in which a person has a direct or financial interest or any spouse or minor child. I certify that all other eligibility requirements have been met.</p> <p><b>(3) Finality Provisions Inapplicable and Waived.</b> I understand that the payments made under this certification are intended to be <u>preliminary payments</u> only, pending compliance checks. Finality provisions that might otherwise apply to make the payment unreviewable shall not apply and are, in any event, <u>waived</u> by me as a condition of receiving the preliminary payment by way of this certification and as a condition for the receipt of the payment.</p> <p><b>(4) Refunds of Payment.</b> Should any overpayment be made, such overpayment shall be refunded, with interest at the rate provided in 7 CFR Part 792, beginning from the <u>date of the disbursement</u> of the funds. Other remedies may apply.</p> <p><b>(5) Accuracy of Certification.</b> I state that this certification is accurate, I have the authority to submit this certification, and understand that it will be <u>relied upon</u> to make a federal payment. I know the facts certified to and the eligibility requirements of the program.</p>		
<p><b>PART C - PRODUCER SIGNATURE</b></p>		
4A. Signature (By)	4B. Title/Relationship of the Individual If Signing in a Representative Capacity	4C. Date (MM-DD-YYYY)
<p><small>Note: This certification has been designed to cover compliance issues broadly and it is possible that in some instances a payment may nonetheless be due even if the certification cannot be signed. Persons who cannot make this certification but otherwise believe the payment is due should file a statement with the local office explaining why the certification cannot be made but why such payment is believed to be due, in which the person states that but for the explanation that person is otherwise making the declarations required by this certification.</small></p> <p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</small></p>		