

For: State and County Offices

FY 1999 PFC \$1 Payment Problem

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

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Background

Notice PF-111:

- reminded County Offices of the requirements for issuing FY 1999 final PFC payments
- advised that the system is designed to be in a “final” payment mode after August 2, 1999.

Reports have been received that payments are being generated for \$1 for producers that should not be earning an additional payment. Other reports have been received that the message, “Prior Payments Exceed Current Payments”, is printed on the nonpayment register, but the producer is not overpaid.

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Purpose

This notice:

- identifies the condition that may cause \$1 payments to be generated and why “Prior Payments Exceed Current Payments” is printing on the nonpayment register for producers that are not overpaid
- advises County Offices that a software modification will be transmitted from KCMO on or about August 26, 1999, to correct this condition
- advises County Offices that any action taken to prevent the \$1 payment from being generated shall be corrected after the software modification is installed.

Disposal Date	Distribution
January 1, 2000	State Offices; State Offices relay to County Offices

Notice PF-113

2 Payment Calculation Condition

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Explanation of Calculation Problem

The identified problem is the result of rounding differences and only occurs in cases where 100 percent of the FY 1999 PFC payment was issued **before** a full succession-in-interest occurred.

Note: This condition does not occur for partial successions-in-interest.

3 County Office Action

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Ways to Handle Calculation Problem

County Offices have been handling this problem in a variety of ways. In some cases, County Offices have reported that the \$1 payments were issued to the successor or successors. In other cases, County Offices have:

- canceled the \$1 payment
 - taken some of the following actions to ensure that another \$1 payment will not be generated:
 - set the refused payment flag to “R” for the producer
 - removed the CCC-478 payment approval date
 - changed the producer’s CCC-478 share to zero.
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Action Required

County Offices shall take the following action.

- Ensure that the software transmitted on or about August 26, 1999, is installed immediately upon receipt. This software modification will ensure that:
 - future \$1 payments are not generated
 - the message, “Prior Payments Exceed Current Payments”, is not printed on the nonpayment register for \$1 rounding differences.
- If something has been changed in the system to prevent \$1 payments from being generated, County Offices shall reset the system for the affected producers to accurately reflect the CCC-478 payment approval date, producer shares, and producer payment choices.

If \$1 PFC payments have been issued to successors, these producers are not overpaid and will not be listed on the overpayment register. No County Office action is required in this case.
