

For: State and County Offices

Processing FY 2000 MLA Payments and Overpayments

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

On June 20, 2000, the President signed the Agricultural Risk Protection Action of 2000 (2000 Act). The 2000 Act provides that:

- MLA payments shall be issued to producers on a farm who are eligible for a final payment for FY 2000 under PFC for the farm under the Agricultural Marketing Transition Act
- the contract payment rates shall be the same rates that were used under Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, Section 802 (b)
- payments shall be issued not earlier than September 1, 2000, and not later than September 30, 2000.

Notice:

- PF-140 provided general information about FY 2000 MLA payments
- PF-141 provided:
 - policy provisions for issuing MLA payments
 - software release schedule
 - information about subsidiary file updates
- Notice PF-143 included instructions for running a query to assist in updating FY 2000 MLA payment limitation allocations.

Continued on the next page

Disposal Date October 1, 2001	Distribution State Offices; State Offices relay to County Offices
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Notice PF-144

1 Overview (Continued)

B

Purpose

This notice provides State and County Offices with:

- information and instructions for issuing FY 2000 MLA payments

Note: FY 2000 MLA payments cannot be issued before September 1, 2000.
The software has been programmed accordingly.

- instructions for canceling FY 2000 MLA payments
 - instructions for computing and transferring FY 2000 MLA overpayments to CRS
 - instructions for printing the FY 2000 MLA PPH
 - information about and instructions for printing CCC-478E.
-

2 County Office Action

A

Crop Table

FY 2000 MLA payment rates are included in County Release No. 440 which should arrive in County Offices on or about August 18, 2000.

County Offices shall:

- immediately install County Release No. 440
 - print Report MAA232-R001 according to subparagraph 3 A
 - verify the payment rates **before** issuing FY 2000 MLA payments.
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Continued on the next page

Notice PF-144

2 County Office Action (Continued)

B

Timing of MLA Payments

The 2000 Act specified that FY 2000 MLA payments shall be issued **not**:

- earlier than September 1, 2000
- later than September 30, 2000.

No authority was given to issue MLA payments after September 30, 2000.

County Offices shall:

- begin processing FY 2000 MLA payments **on September 1, 2000**
- ensure that all final FY 2000 PFC and MLA payments for eligible producers on approved contracts are issued by September 30, 2000.

Note: County Offices will be locked out of the FY 2000 PFC and MLA regular payment processes on October 1, 2000.

C

Prerequisites for Issuing MLA Payments

Before processing MLA payments on September 1, 2000, County Offices shall ensure that all the following have been completed.

- All CCC-478's have been updated properly in the system.
 - Assignments and joint payments data is loaded in the system according to Notice FI-2444.
 - MLA payment limitation allocations have been downloaded and adjusted according to Notices PF-141 and PF-143.
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Notice PF-144

2 County Office Action (Continued)

C

Prerequisites for Issuing MLA Payments (Continued)

- FAV acre-for-acre payment reductions have been computed.

Notes: If the MLA payment process is accessed and the FAV acre-for-acre payment reductions have not been computed, the message, "Market Loss Assistance Payments cannot be issued until the 2000 MLA payment reductions have been computed.", will be displayed.

This step is not necessary for County Offices that did not have any 2000 FAV acre-for-acre payment reductions.

- Compute and transfer all outstanding PFC overpayments to CRS. All FY 1996, 1997, 1998, 1999, or 2000 PFC overpayments that have been verified as legitimate debts to CCC shall be transferred to CRS before issuing MLA payments.
 - Compute and transfer all outstanding MLA overpayments to CRS. FY 1998 and 1999 MLA overpayments that have been verified as legitimate debts to CCC shall be transferred to CRS before issuing FY 2000 MLA payments.
-

D

Producer Transaction Statement

The Producer Transaction Statement for FY 2000 MLA payments includes the following statement from Secretary Glickman.

"At USDA, we know this has been a hard year for many of you. We are here to help, but we know this payment is no substitute for a strong farm economy. We are doing all we can to provide the tools you need to prosper. The folks who've given us the world's most abundant food supply deserve nothing less."

County Offices shall ensure that the Producer Transaction Statement is mailed to producers immediately after the FY 2000 MLA payments are issued.

Notice PF-144

3 MLA Payment Rates

A

**Printing Report
MAA232-R001**

Follow the steps in this table to print Report MAA232-R001.

Step	Menu or Screen	Action
1	FAX250	ENTER "3" or "4", "Application Processing", and PRESS "Enter".
2	FAX09002	Enter the appropriate county, if applicable, and PRESS "Enter".
3	FAX07001	ENTER "9", "Common Provisions", and PRESS "Enter".
4	MA0000	ENTER "1", "County Office Table Files Maintenance", and PRESS "Enter".
5	MAA000	ENTER "7", "Print Crop Table for Program Crops", and PRESS "Enter".
6	MAAA00	ENTER "2", "Production Flexibility Program Crop Table", and PRESS "Enter".
7	MADPRT01	Enter the printer ID and PRESS "Enter".
8	MAA23301	Do both of the following. <ul style="list-style-type: none"> • ENTER "5" for FY 2000 and PRESS "Enter". • ENTER "8" to print the report for all crops and PRESS "Enter".

B

**Data on Report
MAA232-R001**

This table describes the data on Report MAA232-R001.

Field	Description
MLA Payment Rate	Rate used to calculate MLA payments.
Beginning MLA Payment Date	First date MLA payments can be issued.
Ending MLA Payment Date	Last date MLA payments can be issued through the regular payment process.

Continued on the next page

Notice PF-144

3 MLA Payment Rates (Continued)

C
**Example of
 Report
 MAA232-R001**

Following is an example of Report MAA232-R001. The data on this report was either downloaded or entered by the County Office.

VIRGINIA		USDA-FSA	Prepared: 08-18-2000
PRINCE EDWARD		Production Flexibility Program Crop Table	
Report ID: MAA232-R001		2000	Page: 01
WHEAT		0011	
SL PFC PAYMENT RATE	0.58800000	MLA Payment Rate	0.63700000
Beginning PFC Payment Date	10/01/1999	Beginning MLA Payment Date	09/01/2000
Ending PFC Payment Date	09/30/2000	Ending MLA Payment Date	09/30/2000
CORN		0041	
SL PFC PAYMENT RATE	0.33400000	MLA Payment Rate	0.36300000
Beginning PFC Payment Date	10/01/1999	Beginning MLA Payment Date	09/01/2000
Ending PFC Payment Date	09/30/2000	Ending MLA Payment Date	09/30/2000
GRAIN SORGHUM		0051	
SL PFC PAYMENT RATE	0.40000000	MLA Payment Rate	0.43500000
Beginning PFC Payment Date	10/01/1999	Beginning MLA Payment Date	09/01/2000
Ending PFC Payment Date	09/30/2000	Ending MLA Payment Date	09/30/2000
OATS		0016	
SL PFC PAYMENT RATE	0.02800000	MLA Payment Rate	0.03000000
Beginning PFC Payment Date	10/01/1999	Beginning MLA Payment Date	09/01/2000
Ending PFC Payment Date	09/30/2000	Ending MLA Payment Date	09/30/2000
BARLEY		0091	
SL PFC PAYMENT RATE	0.25100000	MLA Payment Rate	0.27100000
Beginning PFC Payment Date	10/01/1999	Beginning MLA Payment Date	09/01/2000
Ending PFC Payment Date	09/30/2000	Ending MLA Payment Date	09/30/2000
RICE		0018	
SL PFC PAYMENT RATE	0.02600000	MLA Payment Rate	0.02820000
Beginning PFC Payment Date	10/01/1999	Beginning MLA Payment Date	09/01/2000
Ending PFC Payment Date	09/30/2000	Ending MLA Payment Date	09/30/2000
UPLAND COTTON		0021	
SL PFC PAYMENT RATE	0.07330000	MLA Payment Rate	0.07880000
Beginning PFC Payment Date	10/01/1999	Beginning MLA Payment Date	09/01/2000
Ending PFC Payment Date	09/30/2000	Ending MLA Payment Date	09/30/2000
		Reviewers	_____
		Date	_____

Notice PF-144

4 Accessing MLA Payment Processing Options

A

Introduction

The software developed to issue FY 2000 MLA payments functions similar to the PFC payment software.

Exception: FY 2000 MLA payments software only provides options to print the PPH and CCC-478E reports.

B

Accessing Menu MGCSD0

Access the MLA payment process from Menu FAX250 according to this table.

Step	Menu or Screen	Action
1	FAX250	ENTER "3" or "4", "Application Processing".
2	FAX09002	Menu FAX09002 will be displayed if option 4 was selected on Menu FAX250. Select the appropriate county to continue to Menu FAX07001.
3	FAX07001	ENTER "11", "PFC/Compliance".
4	M00000	ENTER "4", "Production Flexibility Program".
5	MGYEAR	ENTER "6", "2000 Program Year".
6	MGC000	ENTER "3", "Market Loss Assistance Payment Processing".
7	MGCSD0	Menu MGCSD0 is the main menu for the MLA payment processing options.
		IF the user wants to...
		THEN on Menu MGCSD0, ENTER...
	access options to:	"1", "MLA Reports".
	<ul style="list-style-type: none"> • print an individual PPH • batch print PPH's for all farms or producers • print CCC-478E 	Note: See paragraphs 8 and 9 for additional information on PPH and CCC-478E for MLA payments.
	<ul style="list-style-type: none"> • issue payments • cancel a payable • continue a suspended payment batch 	"2", "MLA Payment Processing".
	process MLA overpayments	"3", "MLA Overpayment Processing".

Notice PF-144

5 Processing MLA Payments

A

Issuing MLA Payments

Follow the procedure in this table to issue MLA payments.

Step	Action	Result
1	Access Menu MGCSD0 according to subparagraph 4 B.	
2	On Menu MGCSD0, ENTER "2", "MLA Payment Processing".	Menu MGCSD1 will be displayed.
3	On Menu MGCSD1, to process MLA payments: <ul style="list-style-type: none"> • ENTER "1", "Regular Payment Processing -- Compute and Issue Payments" • PRESS "Enter". 	Screen MGCLPRT2 will be displayed.
4	Select the printer where the pending payment and nonpayment registers should be queued.	Screen MGCLAA01 will be displayed.
5	Like the process used in PFC payment processing, Screen MGCLAA01 allows County Offices to process payments in a variety of ways. County Offices can process MLA payments: <ul style="list-style-type: none"> • by farm • by producer • for a range of farms • randomly, by selected farms • for all farms. 	After the farm or farms to be processed have been selected, Screen MGCLAF05 will be displayed.
6	Screen MGCLAF05 is displayed with the current system date. The date displayed on Screen MGCLAF05 can be changed to a later date, but cannot be more than 14 calendar days after the system date. Change the date or PRESS "Enter" to continue with the payment process.	All farms selected with a COC payment approval date for FY 2000 will be processed.
7	Follow 2-PF, Part 4 to complete the payment process.	

B

Suspended Payment Batches

The PFC and MLA payment processes are designed to prevent multiple payment processes from continuing if a batch of payments has been suspended. Therefore, County Offices must complete suspended batches before continuing with another batch. This applies even if the FY and/or programs selected for multiple payment batches are different.

Example: County Office suspends a batch of FY 2000 PFC payments. FY 2000 MLA payments cannot be processed until the FY 2000 PFC payment batch is completed.

Notice PF-144

6 Canceling MLA Payments

A

When to Cancel Payment

The provision for canceling PFC payments also applies to canceling MLA payments. County Offices shall follow 2-PF, paragraph 171 to determine whether an MLA payment should be canceled through the MLA payment process or the accounting process.

Reminder: MLA payments shall not be canceled through the MLA payment process if the payment has been issued to the producer. This includes situations where:

- CCC-184 has been mailed to the producer
 - EFT has been transmitted to KCFO for processing.
-

B

Canceling MLA Payables Through MLA Payment Process

If it is determined that the payment was generated erroneously, **and CCC-184 is available in the County Office or EFT has not been transmitted**, County Offices shall follow the procedure in this table to cancel MLA payables.

Step	Action	Result
1	Access Menu MGCSD0 according to subparagraph 4 B.	
2	On Menu MGCSD0, ENTER "2", "MLA Payment Processing".	Menu MGCSD1 will be displayed.
3	Menu MGCSD1 provides the MLA payment processing options. On Menu MGCSD1: <ul style="list-style-type: none"> • ENTER "3", "Special Payment Processing -- Cancel Payable" • PRESS "Enter". 	Screen MGCLC001 will be displayed.
4	Information Screen MGCLC001 advises County Offices that payments should not be canceled through this process unless the payment is available. If the payable is available , PRESS "Enter" to continue the cancellation process.	Screen MGCLAB01 will be displayed.
5	Like the process used in PFC payment processing, Screen MGCLAB01 requires County Offices to enter specific data about the payable being canceled. On Screen MGCLAB01: <ul style="list-style-type: none"> • enter the following data: <ul style="list-style-type: none"> • farm number on which the payment was issued • producer's last name or the last 4 digits of the producer's ID number • PRESS "Enter". 	Screen MGCLRD01 will be displayed.
6	For the remainder of the cancellation procedure, follow 2-PF, subparagraph 172 B starting with step 5.	

Continued on the next page

Notice PF-144

7 Processing MLA Overpayments

A Overpayment Processing

The software that was developed for FY 2000 MLA overpayments functions similar to the PFC overpayment software. However, the MLA overpayment process is separate from the PFC overpayment process.

Example: If a producer received PFC and MLA payments and it is later determined that the producer's share on CCC-478 was not correct, CCC-478 should be updated in the automated system accordingly. To determine the overpayment amounts, County Offices must run the overpayment according to:

- 2-PF, Part 8 for the PFC payment
- this notice for the FY 2000 MLA payment.

Reminder: 2-PF instructs County Offices that an “**all farms**” overpayment process shall be run at least once every 60 calendar days for **all program years**. This is to ensure that:

- producers are timely notified of overpayments
- the finality rule will not apply.

This requirement also applies to MLA overpayment processing.

Continued on the next page

Notice PF-144

7 Processing MLA Overpayments (Continued)

B

Accessing MLA Overpayment Process Access the FY 2000 MLA overpayment process from Menu FAX250 according to this table.

Step	Action		
1	Access Menu MGCSD0 according to subparagraph 4 B.		
2	Menu MGCSD0 is the main menu for MLA payment processing options. <ul style="list-style-type: none"> • ENTER "3", "MLA Overpayment Processing". • PRESS "Enter". 		
3	Menu MGCSR0 is the main menu for MLA overpayment processing options.		
	IF the user wants to...	THEN, on Menu MGCSR0...	Result
	<ul style="list-style-type: none"> • compute overpayments • print the overpayment register • transfer overpayments to CRS • continue a suspended overpayment batch 	ENTER "1", "Process Overpayments".	Menu MGCSR1 will be displayed.
	cancel an overpayment that has been transferred to CRS	ENTER "2", "Cancel Overpayments".	Screen MGCLAA02 will be displayed.

Continued on the next page

Notice PF-144

7 Processing MLA Overpayments (Continued)

C

Computing Overpayments

County Offices shall compute MLA overpayments every **60 calendar days** for all program years to ensure that:

- producers are notified of overpayments in a timely manner
- the finality rule will not apply.

On Menu MGCSR1, ENTER “1”, “Compute Overpayments”, to calculate MLA overpayments by:

- a specific farm
- a range of farms
- all farms
- selected farms.

Note: The system will force an “**all farms**” overpayment process if MLA overpayments have not been computed in the last 60 calendar days.

Reminder: The MLA overpayment process is separate from the PFC overpayment process. County Offices shall run both processes in determining FY 2000 overpayments.

D

Overpayment Register

Once MLA overpayments are computed, the overpayment register will automatically be sent to the selected printer.

Note: County Offices can reprint the overpayment register by accessing option 2, “Reprint Overpayment Register”, on Menu MGCSR1.

The messages on the MLA overpayment register are exactly like those that print on the PFC overpayment register. See 2-PF, subparagraph 141 H for an explanation of overpayment register messages.

Continued on the next page

Notice PF-144

7 Processing MLA Overpayments (Continued)

E

Transferring Overpayment Amounts to CRS

Once MLA overpayment amounts are verified as legitimate debts, County Offices shall transfer overpayments to CRS by accessing option 3, “Select and Transfer Overpayments to CRS”, on Menu MGCSR1.

The process to transfer MLA overpayments to CRS is similar to that used in the PFC application. See 2-PF, paragraphs 224 through 228 for additional information about transferring overpayments to CRS.

F

Canceling Overpayments

If it is discovered that an MLA overpayment has been transferred to CRS erroneously, the overpayment shall be canceled by accessing option 2, “Cancel Overpayments”, on Menu MGCSR0.

Note: Overpayments cannot be canceled until subsequent transactions, such as collections applied to the receivable, have been canceled in CRS. See 67-FI.

The process to cancel MLA overpayments is similar to that used in the PFC application. See 2-PF, paragraph 229 for additional information about canceling overpayments.

G

DD Review

As with PFC payments, DD’s shall review MLA overpayment registers to ensure that County Offices are:

- running the overpayment process in a timely manner for all program years
 - collecting overpayments in a timely manner
 - correcting information in the system.
-

8 MLA Payment History Print

A

Introduction

The PPH report is a tool provided to County Offices to assist with payment reconciliation efforts. The PPH report contains information about:

- payments issued
- payments canceled
- receivables established
- payment reductions that have been applied to the payment.

The following reports are available to be printed:

- individual, entity, or member, which may be printed by selecting the last name or ID number, as applicable
- joint operation, which may be printed by selecting the joint operation name or ID number
- farm, which may be printed by selecting a single farm, range of farms, all farms, or randomly selected farms.

Continued on the next page

Notice PF-144

8 MLA Payment History Print (Continued)

B

Printing PPH Reports

Follow the procedure in this table to print PPH reports.

Step	Action	Result
1	Access Menu MGCSD0 according to subparagraph 4 B.	
2	On Menu MGCSD0, ENTER "1", "MLA Reports".	Menu MGCSJ0 will be displayed.
3	Menu MGCSJ0 provides County Offices with 3 PPH report options.	
	IF County Offices want to...	THEN, on Menu MGCSJ0...
	print PPH for: <ul style="list-style-type: none"> a specific farm or producer a range of farms randomly selected farms 	<ul style="list-style-type: none"> ENTER "1", "Print Payment History" PRESS "Enter".
	batch print PPH for all farms in farm number order	<ul style="list-style-type: none"> ENTER "2", "Batch Print All Farms" PRESS "Enter".
	batch print PPH for all producers in alphabetical order	<ul style="list-style-type: none"> ENTER "3", "Batch Print All Producers" PRESS "Enter".
4	Select the printer where PPH should be queued.	<ul style="list-style-type: none"> Screen MGCLPH01 will be displayed if option 1 was selected on Menu MGCSJ0. Menu MGCSJ0 will be redisplayed after the report is sent to the print queue if option 2 or 3 was selected on Menu MGCSJ0.
5	Like the process used in PFC PPH print processing, Screen MGCLPH01 allows County Offices to print PPH in a variety of ways. County Offices can process MLA PPH's: <ul style="list-style-type: none"> by farm by producer for a range of farms randomly, by selected farms for all farms. 	Screen MGCLPH01 will be redisplayed after the report is sent to the print queue.

Notice PF-144

9 MLA CCC-478E, Producer Earnings Report

A

Introduction

CCC-478E is a report developed in FY 2000 to assist County Offices with reconciling payment information. The report was actually developed for PFC payment processing, but has also been incorporated for the MLA payment process.

B

Purpose of CCC-478E

For FY 1999, County Offices could use CCC-478P to determine MLA payment amounts because the payment rates were the same. However for FY 2000, the MLA and PFC payment rates are not the same.

CCC-478E was primarily designed to assist with payment reconciliation for PFC payments. The report has been incorporated for FY 2000 MLA using:

- information from the applicable FY 2000 PFC worksheet and subsidiary files
 - FY 1999 MLA payment rates.
-

C

Information On CCC-478E

CCC-478E is similar to CCC-478P because it provides calculated payment information for each:

- producer on the PFC and/or payment history file
- member of joint operations.

However, CCC-478E also provides actual payment information, such as:

- payments issued
- FAV acre-for-acre payment reductions
- receivables established
- calculated over or under payment amount.

Each CCC-478E:

- is producer/member and farm specific
- contains all the crop and payment data for the applicable producer/member and farm.

Example: Producer A has a share in 4 crops on FSN 2000, but also has an interest in FSN 2001, 2002, 2003, and 2004. If CCC-478E is printed for Producer A, then five CCC-478E's will be printed. Each one will contain the crop information for that applicable contract.

Continued on the next page

Notice PF-144

9 MLA CCC-478E, Producer Earnings Report (Continued)

C

Information On The following information is printed on CCC-478E.
CCC-478E
(Continued)

Section	Field	Description
Header Area	Producer	Producer name, ID number, and address
	Farm Number	
	Farm Contract Acres	Total contract acreage for participating crops on the selected farm.
Contract/ Producer Information	CCC-478 Status	<p>Reads the CCC-478 worksheet file to determine whether the contract is:</p> <ul style="list-style-type: none"> • approved • not approved.
	Combined Producer	Indicates whether the selected producer is combined with any other producers.
	Multi-County Producer	Indicates whether the selected producer is multi-county.
	Payment Limitation Allocation	<p>Payment limitation allocation applicable for the producer. For:</p> <ul style="list-style-type: none"> • multi-county and combined producers, the amount is determined by the allocation on the payment limitation file • producers that are not multi-county, the amount is \$40,000. <p>Note: Since joint operations and exempt entities do not have a payment limitation, an amount will not be printed in this field for these producers.</p>

Continued on the next page

Notice PF-144

9 MLA CCC-478E, Producer Earnings Report (Continued)

C
Information On
CCC-478E
(Continued)

Section	Field	Description
Payment Information	Calculated MLA Payment	<p>Calculated payment amount for the applicable crop. The amount is determined by multiplying the following:</p> <ul style="list-style-type: none"> • payment acres • payment yield • producer share • member share, if applicable • permitted share • cropland factor • payment rate. <p>Note: These variables are printed in the “Contract/Producer Information” section of the report.</p> <p>Reminder: The calculated payment for joint operations is not a chain calculation. It is the result of adding the amounts for all members.</p>
	Payments Issued	Total payments issued for the applicable crop. This amount does not include payments that have been canceled.
	MLA Reduction	Total reductions recorded on the payment history file for FAV acre-for-acre payment reductions.
	Receivables Established	Total receivables established for the applicable producer/crop. This amount does not include canceled receivables.
	Over/Under Payment	<p>Amount the producer is over or under paid on the applicable crop. This amount is determined by subtracting the following from the “Calculated MLA Payment”:</p> <ul style="list-style-type: none"> • payments issued • MLA reductions • receivables established.

Continued on the next page

Notice PF-144

9 MLA CCC-478E, Producer Earnings Report (Continued)

D

**Printing
CCC-478E**

Follow the procedure in this table to print CCC-478E.

Step	Action	Result
1	Access Menu MGCSD0 according to subparagraph 4 B.	
2	On Menu MGCSD0, ENTER "1", "MLA Reports".	Menu MGCSJ0 will be displayed.
3	<ul style="list-style-type: none"> • ENTER "4", "Producer Earnings Report" • PRESS "Enter. 	Screen MGCLPRT2 will be displayed.
4	Select the printer where CCC-478E should be queued.	Screen MGCLEA01 will be displayed.
5	Screen MGCLEA01 allows County Offices to select the format for printing CCC-478E.	
	IF the print is generated for...	THEN CCC-478E will print for...
	<ul style="list-style-type: none"> • a specific farm number • "ALL" farms • a range of farms • randomly selected farms 	<ul style="list-style-type: none"> • each producer on the selected farms with a CCC-478 share greater than zero • each member of a joint operation.
	producer	<ul style="list-style-type: none"> • each farm in which the producer has a CCC-478 share greater than zero • each member, if the producer is a joint operation.