

For: State and County Offices

Determining Potential Improper Payments

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Improper Payments Information Act of 2002 required each agency head to:

- identify programs and activities susceptible to significant improper payments
- estimate the annual amount of improper payments and report that estimate to Congress
- report the actions taken to reduce improper payments, including possible causes, whether the information system and infrastructure are adequate, a description of the resources requested if the information system and infrastructure were deemed inadequate, and a description of the steps in place to ensure accountability for reducing improper payments.

As a result of this mandate, FSA has:

- assigned COR's to review County Office files to determine the extent of improper payments
- developed a task force of State and County Office employees to determine action needed because of the extent of improper payments.

B Purpose

This notice informs County Offices about:

- actions being taken to assist the County Office in determining improper payments
- management's commitment to ensuring that improper payments are the exception and not the rule.

<p>Disposal Date</p> <p>April 1, 2007 10-25-06</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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2 Resetting of Eligibility Flags

A Overview

As a result of potential improper payments and based on the recommendation of the task force, management has determined that in late November the following 2007 eligibility determinations/certifications will be set to the following conditions.

Note: This edit will not impact 2006 and prior years.

Eligibility Determination/ Certification	Condition After Reset
Person Determination	Set to "Not Filed." "Date Documentation Filed by Producer" and "COC Determination Date" will be removed and must be completed by the County Office.
Actively Engaged Determination	Set to "Not Filed." "Date Documentation Filed by Producer" and "COC Determination Date" will be removed and must be completed by the County Office.
AD-1026 Certification	Set to "Not Filed." "Date Continuous Certification/Authorization signed by Producer" will be removed and must be completed by the County Office.
Adjusted Gross Income Certification	Set to "Not Filed." "Effective Program Year," "Date Documentation Filed by Producer", and "COC Disapproval Date" will be removed and must be completed by the County Office. Note: AGI certifications will not be changed for producers exempt from AGI provisions.
Cash Rent Tenant Determination	Set to "Awaiting Determination". "Cropland Factor" will be set to 0.0000 and must be completed by the County Office.
Gross Revenue for NAP Certification	Set to "Not Filed". "Date Documentation filed by producer" will be removed and must be completed by the County Office
FCI Certification	FCI certification will not be edited. State and County Offices shall ensure that FSA-570 is on file for CRP producers.

County Offices shall verify that information (determinations and dates) loaded in the web-based subsidiary files is taken from information that is on file in the County Office. While loading this information, County Offices shall also verify that:

- signatures and signature authority are sufficient
- signatures are in the proper format
- required eligibility forms are completed properly.

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2 Resetting of Eligibility Flags (Continued)

B Management's Commitment to Proper Payments

FSA management is committed to ensuring that payments are not improper. Although many County Offices have loaded eligibility information correctly it has been determined that a nationwide method of reviewing and correcting this data will best serve the goal of reducing improper payments.

As with all publicly administered funds, public trust in government is of the utmost importance. These actions will help ensure that FSA is protecting the integrity of government-funded agriculture assistance.

3 Action

A County Office Action

County Offices shall:

- begin reviewing eligibility data in preparation of the edit being run in late November
- for purposes of this notice, not begin updating the 2007 web-based eligibility system until notification is received that the edit and download processes have been completed

Note: County Office may continue to update 2006 and prior years as necessary.

- once edit and download to System 36 is complete, focus on updating producer eligibility records for those producers that have requested 2007 payments including:
 - MILC
 - advance DCP payments in December
 - EFCRP
- confer with local NRCS offices informing them of the information provided in this notice.

B Future Reviews

A forthcoming notice will be issued to provide further guidance and procedure for State Office review of County Office actions.