

For: State and County Offices

Payment Limitation Control for Disaster Assistance Programs

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The 2008 Farm Bill and other legislation included various disaster and payment assistance programs for crops and livestock losses experienced by producers in 2008 and subsequent years. The programs to be implemented include the following:

- ELAP
- LFP
- LIP
- stimulus payments for the 2008 crop Supplemental Revenue Assistance Payments Program (SURE) as authorized by the Recovery Act
- SURE.

The payments issued under these programs are collectively limited to \$100,000 annually. For 2008, this limitation is applied to the “person” as determined for the farming or livestock operation for that program year. For the years 2009 through 2011, this limitation is applied to the individuals and legal entities by direct attribution.

SURE payments are automated and attributed to members with payment limitation controlled according to “person” rules. Payment processes for LIP, LFP, and ELAP are not automated at the present time and do not interface with any payment limitation control file. Therefore, manual control of the payment limitation for these programs will be required to ensure the payment limitation is not exceeded.

Disposal Date	Distribution
January 1, 2011	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose

This notice provides information and instructions for the following:

- applying the payment limitation for 2008 through 2011 SURE, ELAP, LFP, LIP, and other associated program payment assistance
- controlling the payment limitation for participants in these programs
- using tools made available specifically for this purpose.

2 Payment Limitation for Disaster Assistance and Other Payments

A 2008 SURE, ELAP, LFP, LIP, and Stimulus Payments

A producer receiving 2008 SURE, ELAP, LFP, LIP, and stimulus payments is:

- subject to “person” rules in 1-PL, Part 2, Section 6
- limited to \$100,000 per “person” collectively from the these programs.

B 2009 through 2011 SURE, ELAP, LFP, and LIP Payments

A producer receiving 2009 through 2011 SURE, ELAP, LFP, and LIP payments is:

- subject to direct attribution provisions in 4-PL, Part 5
- limited to \$100,000 per person or legal entity collectively received, directly or indirectly, from these programs in each year.

3 Controlling the \$100,000 Payment Limitation

A Nationwide Control for the 2008 Through 2011 Crop Years

All SURE, ELAP, LFP, LIP, and 2008 SURE stimulus payments must be recorded manually:

- on a payment limitation ledger according to paragraph 4
- for each payment recipient, includes amounts received both directly and indirectly for the 2009 through 2011 crop years
- for members of joint operations for 2008 through 2011
- for members of legal entities for 2009 through 2011.

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3 Controlling the \$100,000 Payment Limitation (Continued)

B Payment Limitation Ledger Requirements

Complete a ledger for each:

- legal entity
- member of a legal entity
- for each of the years 2008 through 2011, or until notified otherwise

Note: For 2008 only, complete the ledger for the “person” as determined for 2008 program payment limitation purposes.

For a multi-county producer, either:

- the recording/control county will be the keeper of the ledger
- if the recording/control county are different counties, then either of the following:
 - the eligibility recording county
 - the county identified on the producer’s MABDIG in the “Rc St&Cty” column of the Multi-County Information Section.

See Notice FI-2954 to print a report of all payments received by a producer.

C Application of the Maximum Limitation

When the maximum limitation is **reached**:

- notify all affected County Offices, including the control/recording county, by the quickest means possible
- no additional 2008 SURE, ELAP, LFP, LIP, and stimulus payments can be issued to the “person” as determined
- no additional 2009 through 2011 SURE, ELAP, LFP, and LIP payments can be issued directly or indirectly to the individual and/or legal entity.

If the maximum limitation is **exceeded**, the recording/control county shall:

- notify **all** affected County Offices by the quickest means possible to cease all payment approval activity for the producer
- determine which payment caused the limitation to be exceeded
- notify the County Office that issued the payment and direct them to establish a receivable for the overpaid amount according to applicable program procedures such as 1-SURE or 1-LDAP and 67-FI.

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3 Controlling the \$100,000 Payment Limitation (Continued)

D 2008 SURE Payments

For controlling the limitation when issuing 2008 SURE payments:

- County Offices must notify a producer's eligibility recording County Office of the total amount of 2008 ELAP, LIP, and LFP payments received by a producer
- the eligibility recording County Office must enter the total amounts of the 2008 ELAP, LIP, and LFP payment as a payment limitation program adjustment decrease according to Notice PL-196
- after the eligibility recording county has entered the payment limitation program adjustment decrease, the County Office may issue the 2008 SURE payment.

4 Available Spreadsheets for the Payment Limitation Ledger

A Payment Limitation Ledger

Excel spreadsheets have been developed to record and control manual SURE, ELAP, LFP, LIP, and stimulus payments.

See:

- Exhibit 1 for an example of a Payment Limitation Ledger for 2008 SURE, ELAP, LFP, LIP, and stimulus payments
- Exhibit 2 for an example of a Payment Limitation Ledger for 2009 through 2010 SURE, ELAP, LFP and LIP payments.

These Excel spreadsheets:

- will be provided to each State Office
- may be obtained online at <http://intranet.fsa.usda.gov/dafp>.

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5 Action

A State and County Office Action

State and County Offices shall:

- read and follow the contents of this notice
- publicize the details of the payment limitation provisions applicable to the 2008 through 2011 SURE, ELAP, LFP,LIP, and stimulus payment programs
- use all payment eligibility and payment limitation forms on file for the 2008 through current year programs for information on “person” determinations and for all direct and indirect payment interests held by a participant nationwide
- **communicate** and **coordinate** with other County Offices for multi-county producers to ensure that the \$100,000 payment limitation is not exceeded.

Payment Limitation Ledger Example for 2008 SURE, ELAP, LFP, LIP and Stimulus Payments

The following is an example of a Payment Limitation Ledger for 2008 SURE, ELAP, LFP, LIP and stimulus payments.

Payment Limitation Ledger 2008 SURE, ELAP, LFP and LIP Payments (printed 3/26/2010 9:19 AM)									
Crop Year: 2008									
4) Control county:									
2008									
1) Producer's Name:									
2) Combined "persons" per 1-PL rules:									
3) Related Farming Interests:									
A	B	C	D	E	F	G	H		
Name of Payee (Farming Interest)	Person's Share	County	SURE	ELAP	LFP	LIP	Payment Amount		
(Name) - individually	100.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
(Minor Child) - individually	100.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
(extra line - entity 1)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
(extra line - entity 2)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
(extra line - entity 3)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
(extra line - entity 4)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
(extra line - entity 5)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
(extra line - joint operation 1)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
(extra line - joint operation 2)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
(extra line - joint operation 3)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
(extra line - joint operation 4)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
(extra line - joint operation 5)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL PAYMENTS									
Balance Available							\$		100,000.00

General Instructions (See examples below)

- 1) Enter the name of the Producer for whom payment limitations will be tracked.
- 2) Enter the name of any individual or entity combined as one "person" with this producer.
- 3) List all farming interests in which the "person" has a direct or indirect share.
- 4) Enter name of control/recording county.

For each payment made complete Columns A-G as follows:

Column A) List all farming interests receiving payment which are associated with the producer in Item 1.
 Column B) Show the producer's total direct or indirect share (include shares for combined "persons").
 Column C) Show the county where payment was issued.
 Columns D-G) Enter TOTAL AMOUNT PAID to the Payee listed in Column A by Program.

**Note: Formulas in the worksheet will calculate the payment and total payments.
 Note: Extra lines under Columns A-H can be deleted without affecting the calculations.**

Payment Limitation Ledger Example for 2008 SURE, ELAP, LFP, LIP and Stimulus Payments (Continued)

Payment Limitation Ledger
2008 SURE, ELAP, LFP and LIP Payments
(printed 3/26/2010 9:19 AM)

EXAMPLE		Joe Farmer		Crop Year: 2008			
1) Producer's Name:		Joe Farmer					
2) Combined "Persons" per 1-PL rules:		Jill Farmer (spouse), Jimmy Farmer (minor child), Farmer Rev Trust, Farmers Ltd (majority interest)					
3) Related Farming Interests:		Joe Farmer, Farmer Rev Trust, 2 F GP, Farmers Ltd		4) Control county: Wilson			
A	B	C	D	E	F	G	H
Name of Payee (Farming Interest)	Person's Share	County	SURE	ELAP	LFP	LIP	Payment Amount
Joe Farmer - individually	100.00%	Wilson	\$ 15,000.00	\$ 54,300.00	\$ 2,354.00	\$ -	\$ 71,654.00
Farmer Rev Trust	100.00%	Wilson	\$ 3,212.00	\$ -	\$ -	\$ 1,485.00	\$ 4,697.00
Farmer's Ltd	100.00%	Harding	\$ 1,500.00	\$ -	\$ -	\$ -	\$ 1,500.00
2 F GP (Joe's share)	50.00%	Wilson	\$ 35,615.00	\$ -	\$ 12,568.00	\$ -	\$ 24,091.50
TOTAL PAYMENTS			\$	\$	\$	\$	\$ 101,942.50
Balance Available			\$	\$ (1,942.50)			

EXAMPLE		Farmers LTD		Crop Year: 2008			
1) Producer's Name:		Farmers LTD					
2) Combined "Persons" per 1-PL rules:		Joe and Jill Farmer (spouses with majority interest), Jimmy Farmer (minor child), Farmer Rev Trust					
3) Related Farming Interests:		Joe Farmer, Farmer Rev Trust, 2 F GP, Farmers Ltd		4) Control county: Wilson			
A	B	C	D	E	F	G	H
Name of Payee (Farming Interest)	Person's Share	County	SURE	ELAP	LFP	LIP	Payment Amount
Joe Farmer - individually	100.00%	Wilson	\$ 15,000.00	\$ 54,300.00	\$ 2,354.00	\$ -	\$ 71,654.00
Farmer Rev Trust	100.00%	Wilson	\$ 3,212.00	\$ -	\$ -	\$ 1,485.00	\$ 4,697.00
Farmer's Ltd	100.00%	Harding	\$ 1,500.00	\$ -	\$ -	\$ -	\$ 1,500.00
2 F GP (Joe's share)	50.00%	Wilson	\$ 35,615.00	\$ -	\$ 12,568.00	\$ -	\$ 24,091.50
TOTAL PAYMENTS			\$	\$	\$	\$	\$ 101,942.50
Balance Available			\$	\$ (1,942.50)			

Payment Limitation Ledger Example for 2009 and 2010 SURE, ELAP, LFP, and LIP Payments

The following is an example of a Payment Limitation Ledger for 2009 and 2010 SURE, ELAP, LFP, and LIP payments.

Payment Limitation Ledger 2009-2011 SURE, ELAP, LFP and LIP Payments (printed 3/26/2010 9:28 AM)							
							2009
1) Individual's Name:		(NAME)				4) Crop Year:	
2) Common Attribution with this person:		(minor child/rev. trust)				5) Control/recording county:	
3) Related Farming Interests:							
A	B	C	D	E	F	G	H
Name of Payee (Farming Interest)	Individual's Share	County	SURE	ELAP	LFP	LIP	Attributed Payment Amount
(Name) - Individually	100.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
(Minor Child) - Individually	100.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
(extra line - entity 1)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
(extra line - entity 2)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
(extra line - entity 3)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
(extra line - entity 4)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
(extra line - entity 5)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
(extra line - joint operation 1)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
(extra line - joint operation 2)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
(extra line - joint operation 3)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
(extra line - joint operation 4)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
(extra line - joint operation 5)	0.00%	County	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ATTRIBUTED PAYMENTS							\$ -
Balance Available							\$ 100,000.00

EXAMPLE							
1) Individual's Name:		Joe Farmer		4) Crop Year:		2009	
2) Common Attribution with this person:		Jimmy Farmer, Farmer Rev Trust		5) Control/recording county:		Wilson	
3) Related Farming Interests:							
A	B	C	D	E	F	G	H
Name of Payee (Farming Interest)	Individual's Share	County	SURE	ELAP	LFP	LIP	Attributed Payment Amount
Joe Farmer - Individually	100.00%	Wilson	\$ 10,000.00	\$ -	\$ -	\$ 3,900.00	\$ 13,900.00
Farmer Rev Trust	100.00%	Wilson	\$ 4,200.00	\$ -	\$ -	\$ 485.00	\$ 4,685.00
Formers Ltd (Jimmy's share)	2.50%	Harding	\$ 1,500.00	\$ -	\$ -	\$ -	\$ 37.50
Formers Ltd (Joe's direct & indirect share)	47.50%	Harding	\$ 2,600.00	\$ -	\$ -	\$ -	\$ 1,235.00
2 F GP (Joe's share)	50.00%	Wilson	\$ 23,425.00	\$ -	\$ -	\$ -	\$ 11,712.50
TOTAL ATTRIBUTED PAYMENTS							\$ 31,570.00
Balance Available							\$ 68,430.00

General Instructions (See example below)

- 1) Enter the name of the individual for whom payment limitations will be tracked.
- 2) Enter the name of any minor child or revocable trust subject to common attribution with this individual.
- 3) List all farming interests in which the individual has a direct or indirect share (including interests subject to common attribution).
- 4) Enter the Crop Year (2009-2011) to be tracked.
- 5) Enter name of Control/recording county.

For each payment made complete Columns A-G as follows:

Column A) List all farming interests receiving payment with direct or indirect interests attributable to this individual.
 Column B) Show the individual's total direct or indirect share (include share subject to common attribution).
 Column C) Show the county where payment was issued.
 Column D-G) Enter TOTAL AMOUNT PAID to the Payee listed in Column A by Program.
 Note: Formulas in the worksheet will calculate the attributed payment and total attributed payments.
 Note: Extra lines under Columns A-H can be deleted without affecting the calculations.