

For: State and County Offices

Invalid Combinations in Web-Based Combined Producer Software

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The web-based Combined Producer application was revised to allow the user to record common attribution determinations according to 4-PL. These combinations are referred to as “Attribution” type combinations. Procedure for the web-based Combined Producer application is found in 3-PL (Rev. 1), Part 4.

The user is required to select a reason for each combination. The combination reasons displayed are dependent on the type of combination and the business types of members in the combination. 3-PL (Rev. 1), paragraph 85 provides combination reasons for “Attribution” type combinations and business types.

Some “Attribution” type combination reasons are no longer applicable and will be removed from web-based combined producer software.

B Purpose

This notice:

- identifies combination reasons that will no longer be applicable for “Attribution” type combinations in 2009 and subsequent years
- instructs County Offices to immediately cease using invalid combination reasons

Disposal Date	Distribution
December 1, 2010	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose (Continued)

- provides a description of reports that will be available to identify “Attribution” type combinations that have been recorded in 2009 and 2010 using invalid combination reasons
- identifies 2009 and 2010 combinations that **must** be deleted:
 - before the 2011 web-based Subsidiary file rollover on **September 17, 2010**
 - to correctly issue program payments that fall under “Attribution” rules.

2 Combination Reasons

A Invalid Combination Reasons

The following combination reasons shall no longer be used for “Attribution” type combinations:

- “Grantor and Revocable Trust” (this will continue to be applicable to “Person” type combinations)
- “Minor child and Estate of Parent/Guardian – Direct Attribution Rules”
- “Substantive change not met resulting in common attribution” will no longer be available for business types:
 - Corporation
 - Estate
 - Limited Liability Corporation
 - Limited Partnership
 - Trust – Revocable
 - Trust – Irrevocable.

Important: Combination reason “Substantive change not met resulting in common attribution” is a valid reason when both members of the combination are individuals.

County Offices **shall immediately cease** using the combination reasons listed in this subparagraph for “Attribution” type combinations. Failure to do so will result in program payments being issued incorrectly. Software modifications to reflect these changes will be available after the 2011 web subsidiary rollover has been processed.

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2 Combination Reasons (Continued)

B Reports

A separate report will be provided for all of the following:

- 2009 combinations with reason “Grantor with Revocable Trust”
- 2010 combinations with reason “Grantor with Revocable Trust”
- 2009 combinations with reason “Minor child and Estate of Parent/Guardian – Direct Attribution Rules”
- 2010 combinations with reason “Minor child and Estate of Parent/Guardian – Direct Attribution Rules”
- 2009 combinations with reason “Substantive change not met resulting in common attribution”
- 2010 combinations with reason “Substantive change not met resulting in common attribution”.

Reports will be provided weekly to the State Offices in 6 separate Excel spreadsheet files. The first report will be provided the week of July 12, 2010 and will be e-mailed to the State Office subsidiary specialist.

C Report Format

The combination reports will be in the format described in the following.

Column Header	Description
St Cd	Identifies the State of the combination recording county.
Cty Cd	Identifies the combination recording county.
Year	The subsidiary year the combination record is present.
Combined Acct No	System assigned account number. The same account number is assigned to all members of combinations with direct and indirect interest.
Common Name	The SCIMS common name recorded in the combination record.

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2 Combination Reasons (Continued)

D Deleting Combinations

For various reasons, software will not be programmed to automatically remove 2009 and 2010 combination records for the invalid reasons in subparagraph A. County Offices shall follow paragraph 3 to determine whether 2009 and/or 2010 combinations must be decombined according to this notice and 3-PL (Rev. 1), paragraph 106.

If the required 2009 and 2010 invalid combinations are not decombined in the web-based combined producer application:

- for 2010 before the 2011 web subsidiary rollover on September 17, 2010, the invalid combinations will have to be decombined for both 2010 and 2011
- program payments issued using direct attribution will be incorrect.

3 Review Combination Reports

A Grantor With Revocable Trust

Combination reason “Grantor with Revocable Trust” was applicable for common attribution and “Person” rules. If a combination is updated using the reason “Grantor with Revocable Trust”, the system records the combination for both “Attribution” and “Person” type combinations. The system **cannot** verify if the combination is applicable to “Attribution” and “Person”, only “Attribution” or only “Person” type combinations.

Note: County Offices shall refer to Notice PL-199 for revocable trusts using an employer identification number (EIN).

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3 Review Combination Reports (Continued)

A Grantor With Revocable Trust Reports (Continued)

County Offices must complete the steps in the following for each producer on the report to determine whether the combination should be decombined.

Step	Action		
1	Determine whether the combination is the result of a COC determination for: <ul style="list-style-type: none"> • common attribution rules under 4-PL • “Person” rules under 1-PL • both common attribution and “Person” rules. 		
2	If the combination is the result of a COC determination for “Person” rules under 1-PL, determine whether any member of the combination, in the applicable year, is earning payments for any program where “Person” rules are applicable.		
3	Determine whether the combination should be deleted for the year identified on the report using the following.		
	IF the combination was the result of a COC determination that is...	AND...	THEN...
	only applicable to common attribution rules under 4-PL and not applicable to “Person” rules under 1-PL		delete the combination.
	either of the following: <ul style="list-style-type: none"> • only applicable to “Person” rules under 1-PL and not attribution rules under 4-PL 	no member of the combination is earning payments, in the year identified on the report, for any program where “Person” rules are applicable	delete the combination.
	<ul style="list-style-type: none"> • applicable for both common attribution rules under 4-PL and “Person” rules under 1-PL 	at least 1 member of the combination is earning payments in the year identified on the report for any program where “Person” rules are applicable	do not delete the combination. Note: Program payments applicable to direct attribution will not be issued correctly until the web-based Combined Producer software is revised.
4	Use the report to document invalid combinations that are not deleted because at least 1 of the members is receiving payments for 2009 and future years and “Person” rules are applicable to the program. These combinations will continue to appear on all future reports.		

Note: If the members are identified on both the 2009 and 2010 reports and it is determined that the combination **must** be decombined for both years, the County Office **must** access and decombine for each year.

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3 Review Combination Reports (Continued)

B Report for Minor Child and Estate of Parent/Guardian – Direct Attribution Rules

All combinations for members identified on the Minor child and Estate of Parent/Guardian – Direct Attribution Rules Report shall be decombined according to 3-PL (Rev. 1), paragraph 106. If the members are identified on both the 2009 and 2010 reports, the combinations must be accessed and decombined for both years.

C Report for Substantive Change Not Met Resulting In Common Attribution

All combinations for members identified on the Report for “Substantive change not met resulting in common attribution” shall be decombined according to 3-PL (Rev. 1), paragraph 106. If the members are identified on both the 2009 and 2010 reports, the combinations must be accessed and decombined for both years.

Exception: Do not decombine when the combination reason is “Substantive change not met resulting in common attribution” **and** both members are individuals.

4 Action

A State Office Action

State Offices shall:

- provide combination reports to County Offices when received from the National Office
- provide guidance to County Offices about the procedure in this notice
- review the weekly combination reports to verify that invalid combinations are:
 - not being created for “Attribution” type combinations using the invalid combination reasons in subparagraph 2 A
 - being deleted according paragraph 3 before the 2011 Subsidiary Rollover on **September 17, 2010**.

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4 Action (Continued)

B County Office Action

County Offices shall:

- thoroughly review this notice
- no longer add “Attribution” type combinations using the invalid combination reasons in subparagraph 2 A
- decombine the applicable invalid combinations as described in paragraph 3 before the 2011 Subsidiary rollover on **September 17, 2010**
- continue to follow procedure in Notice PL-199 for revocable trusts using an employer ID number.