

For: State and County Offices

Interim Method to Issue Monthly MILC Payments

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Software was developed and released to Field Offices October 11, 2002, to issue MILC Transition Period and FY 2002 Contract Payments.

Software is currently being developed to pay the Monthly MILC Payments. County Release No. 501 is the targeted release for this software.

Software is also being developed to support the MILC transition period payments for contracts established after November 1, 2002. Existing software only supports MILC transitional payments of December 1, 2001, through September 30, 2002.

In an effort to expedite issuance of the Monthly MILC Payments, an interim payment method has been developed.

B

Purpose

This notice provides information about the interim Monthly MILC Payment process.

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<p>Disposal Date</p> <p>July 1, 2003</p>	<p>Distribution</p> <p>State Offices; States Offices relay to County Offices</p>
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C

Critical Second Party Review

It is critical that a second party review be conducted on both the calculation of payment entries and the payment entries to minimize errors. Conduct second party reviews to verify that web-page payment calculation entries for:

- milk production pounds are entered correctly with no:
 - extra digits in the number
 - missing digits in the number
 - transposed numbers
 - incorrect numbers
- the monthly payment rate is entered correctly.

Keep a register in each folder of fiscal year payments issued to ensure that the 2,400,000 lbs. fiscal year maximum is not exceeded. For FY 2002, refer to the printed copy of Screen PMD10500.

D

Effective Date for Interim MILC Payment Process

The interim MILC Monthly Payment Process is authorized for use upon receipt of this notice.

E

Important Limitation

This interim payment method is to be used **only** for monthly MILC payments. Do **not** use this method to pay any months included in transition period payments.

Note: For the definition of transition period, see Notices LD-524 and LD-526.

Some transition period payments were made using “0” for 1 or more of the end months because the production was not available. These types of situations will be corrected at a later time. **Use this interim process only for monthly MILC payments.**

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2 Interim Monthly MILC Payment Process

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How to Calculate the Monthly Payment Amount

Access the following web address:

<http://www.fsa.usda.gov/dafp/psd/milc.htm>.

Payment rates are listed on the right side of this web page by month. At the bottom of the web page there is a payment calculator. Follow these steps to calculate a monthly payment amount.

Step	Action
1	Enter the milk production in pounds.
2	Enter the payment rate for the applicable month.
3	Click "Calculate" and the monthly payment will calculate.

Note the instructions at the bottom of the web page.

- Enter only numeric values (no commas) for production pounds.
- Use decimal points where needed in the payment rate.

A **calculation** must be made **separately for each month** and **separate payment** must be issued for each month. Do **not** combine months.

Manually record each month's calculated payment amount in the applicable month on CCC-580.

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B

Issuing MILC Monthly Payments

Payments will be issued using “Accounting” software. Issue payments according to the following steps.

Step	Menu or Screen	Action	Result
1	Application Selection Menu FAX07001	ENTER “1”, “Accounting”.	Accounting Main Menu AAA000 will be displayed.
2	Menu AAA000	ENTER “1”, “Disbursements/Check Writing”.	Accounting - Check Writing Main Menu ANK000 will be displayed.
3	Menu ANK000	ENTER “1”, “On-line Check Writing”.	Accounting Enter Check Writing Data Screen ANK31501 will be displayed.
4	Screen ANK31501	Enter the following: <ul style="list-style-type: none"> • Program Code 02URGENT • Issue Date (the date payment is made) • Producer selection criteria. 	Accounting Enter Payment Data Screen ANK32510 will be displayed.
5	Screen ANK32510	Enter the calculated monthly MILC payment amount.	Accounting Enter Payment Data Screen ANK32510 will be redisplayed.
6	Screen ANK32510	Enter contract information for reference, such as: <ul style="list-style-type: none"> • Month of MILC Payment • MILC Payment Contract Number. 	Accounting Enter Payment Data Screen ANK32510 will be redisplayed. PRESS “Enter” if entries are correct. Screen ANK32510 will be redisplayed for 2 nd validation. PRESS “Enter” if entries are correct. Screen ANK35010 will be displayed.
7	Screen ANK35010	No entry required. PRESS “Enter”.	Screen ABK10001 will be displayed.
8	Screen ABK10001	Complete payment information. This is the screen where claims, receivables, or other payees are handled.	Complete the payment process according to 3-FI.

A second party review is required before payments are released. Validate that:

- the producer ID number used is the correct ID
- the dollar amount entered is correct
- the code **02URGENT** is used.

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C

Assignment and Joint Payments

The FY 2003 MILC monthly payment is eligible for assignment and joint payment; therefore, the interim MILC monthly payments are assignable and jointly payable.

County Offices shall establish assignments and joint payment records using the “Other” field and program code “02URGENT” and manually reduce the balance of the assignment or joint payment record that was established using “03MILC”.
