

For: State and County Offices

Extended Milk Income Loss Contract (MILC-X) Payments Correction Software Release

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notice PS-595 provides instructions to State and County Offices for using MILC-X corrections software.

Web Transmittal No. 117 informs State and County Offices of the release of MILC-X corrections software.

B Purpose

This notice:

- informs users that MILC-X correction software is functional in the field
- encourages users to read Web Transmittal No. 117
- explains that corrections to corrections are **not** currently possible
- provides helpful hints for users of correction software
- provides MILC-X overpayment interest instructions.

2 MILC-X Corrections Software Functionality

A Software Availability

MILC-X corrections software is now functional in the field and can be used to process corrections according to Notice PS-595 and subparagraph B.

B Read Web Transmittal No. 117

Before using MILC-X corrections software according to subparagraph A, users are strongly encouraged to carefully read Web Transmittal No. 117 in its entirety.

Disposal Date	Distribution
May 1, 2008	State Offices; State Offices relay to County Offices

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3 Current Corrections Software Limitations

A Limitations and Warning

For corrections that result in an overpayment and a receivable, users are currently **blocked** from making **subsequent** corrections to that completed correction. However, a pending software enhancement will provide that capability.

Warning: County Offices that have multiple payments in MILC-X and NPS because of processing problems in 2006, who have been waiting for software that will correct those conditions, shall **not** attempt to correct those payments until additional instructions are provided for that purpose.

Do **not** attempt to cancel or correct a payment immediately after sending the payment request.

4 Payment and Eligibility Conditions

A Mix of Underpayments and Overpayments

Situations may be encountered where MILC-X correction software creates both receivables that result from overpayments and payments that result from underpayments, all in the same correction process. This is because the software updates all months, as needed, following the month of the original problem. When the receivable is created, the record will be available on System 36 during start-of-day the next workday. The user must take the Accounting Receivable Main Menu, Electronic Web Receivable Processing Option to complete the receivable establishment. The receivable must replicate from System 36 to the claims database in Kansas City to be available for repayment in NPS. This can take several days. When applicable, use payments to repay the receivables before actually issuing money to the customer.

Example: If user increases production in January and as a result the software reduces the payment for the following February because of maximum production, both a payment for January and a receivable for February will result as separate transactions in NPS. On NPS worklist, CLICK “Reset payment processing” to recognize the receivable.

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4 Payment and Eligibility Conditions (Continued)

B Results of Eligibility Rechecks

When recheck eligibility is used (also see subparagraph 5 C) MILC-X corrections software Payment Correction – Summary Screen **may** display that a producer’s payment is being reduced because of ineligibility at the time of the recheck. However, if a producer was eligible when the **original** payment was signed and issued, and a correction is subsequently made that would normally result in an additional payment (producer was underpaid), recheck eligibility will find the producer is now **ineligible**. In this case the:

- **additional** payment will **not** be issued because of current ineligibility
- **original** payment will **not** be withdrawn and a receivable will **not** be established because the producer was eligible at the time the original payment was issued.

5 Helpful Hints for Users

A Read Help Screens

Users are encouraged to always read the detailed help text for corrections software screens by clicking on the applicable screen’s “?” button.

B Correcting “Contract From” and “Payment Start” Dates

This is an example of the Payment Correction – Contract Edit Screen. On this screen users can correct the:

- “Contract From Date”
- “Payment Start Month”.

The screenshot displays the 'Payment Correction - Contract Edit' screen within the MILC-X system. The interface includes a navigation bar with links for 'E-Forms', 'Contact us', 'Local Offices', 'USDA Home Page', and 'FSA Applications'. The main content area shows the following fields and values:

- State: Wisconsin
- County: Lafayette
- Contract Number: 48
- Dairy Operation Name: Example 10
- Contract From Date: 04-11-2006
- Fiscal Year: 2006
- Payment Start Month: DECEMBER

Below the fields, a help text box provides instructions: 'Changes to the MILCX payment start month must be received in the COF from the dairy operation on or before the 14th of the month prior to the:'

- Month originally selected by the dairy operation as their MILCX production start month.
- First day of the newly desired production start month.

At the bottom right, there are three buttons: 'Next', 'Back', and 'Cancel'.

5 Helpful Hints for Users (Continued)

C Rechecking Eligibility

This is an example of the Payment Correction – Edit Screen.

Example: In this example, Steve Mau’s “May” payment calculated to an “Original Amount” of \$0. Subsequent months’ payments were certified and signed in NPS, but it was later discovered that the AD-1026 flag was **not** set. The flag has since been set to a good flag. In this case, users should CLICK “Recheck Eligibility” and enter a “Correction Effective Date”.

State: Wisconsin County: Lafayette

Contract Period: MAY Amount: 554.88
 Recorded Pounds: 60000 Date Received: 06-10-2006
 Recheck Eligibility: Correction Effective Date: 06-10-2006

[Add Producer](#)

Producer Information							
Delete	Producer's Name	Producer ID Number	Type	Pay	Payable ID	Share	Original Amount
<input type="checkbox"/>	STEVE MAU		S	<input type="radio"/> Y <input type="radio"/> ON		100.00	0.00

Contract Period: APRIL Amount: 419.90
 Recorded Pounds: 50000 Date Received: 05-10-2006

Note: The “Correction Effective Date” will be passed to NPS and used to determine when prompt payment interest applies.

The screen will be displayed with:

- the message, “This Contract Period has been selected to recheck eligibility.”
- eligibility rechecked for May 2006
- an underpayment amount of \$554.88 will be sent to NPS.

Note: Recheck eligibility for **each** desired contract period, it is **not** all inclusive.

State: Wisconsin County: Lafayette

Contract Period: MAY Amount: 554.88
 Recorded Pounds: 60000 Date Received: 06-10-2006
 Correction Effective Date: 06-10-2006
 This Contract Period has been selected to recheck eligibility.

Producer Information:

Del/Chg	Producer's Name	Type	Accept	Share	Eligible (Y/N/P/R)	Original Amount	New Amount	Difference
Chg	STEVE MAU	S	Y	100.00	Y	0.00	554.88	554.88

Contract Period: APRIL Amount: 419.90
 Recorded Pounds: 50000 Date Received: 05-10-2006
 Correction Effective Date: 05-10-2006
 This Contract Period has been selected to recheck eligibility.

Submit Back Cancel

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5 Helpful Hints for Users (Continued)

D Changing Milk Production Pounds

This is an example of the Payment Correction – Edit Screen. Production for the month of June was **originally** entered as 70,000 and the payment was processed accordingly, but the correct production should have been 75,000.

State: Wisconsin County: Lafayette

Contract Number: 48 Dairy Operation Name: Example 10
 Contract From Date: 04-11-2006
 Payment Start Month: DECEMBER Fiscal Year: 2006

Contract Period: JUNE Amount: 699.72
 Recorded Pounds: 70000 Date Received: 07-10-2006
 Recheck Eligibility: Correction Effective Date:

[Add Producer](#)

Producer Information						
Delete	Producer's Name	Type	Pay	Payable ID	Share	Original Amount
<input type="checkbox"/>	STEVE MAU	S	<input type="radio"/> Y <input type="radio"/> N	7051502	100.00	699.72

Next Back Cancel

To correct the production error, the user should now:

- enter the correct production of 75,000 in the “Recorded Pounds” field
- enter the applicable date in the “Correction Effective Date” field
- CLICK “Next”.

The following screen will be displayed showing the resulting underpayment of \$49.98.

State: Wisconsin County: Lafayette

Contract Number: 48 Dairy Operation Name: Example 10
 Contract From Date: 04-11-2006
 Payment Start Month: DECEMBER Fiscal Year: 2006

Contract Period: JUNE Amount: 749.70
 Recorded Pounds: 75000 Date Received: 07-10-2006
 Correction Effective Date: 07-10-2006

Producer Information:

Del/Chg	Producer's Name	Type	Accept	Share	Eligible (Y/N/P/R)	Original Amount	New Amount	Difference
Chg	STEVE MAU	S	Y	100.00	Y	699.72	749.70	49.98

Submit Back Cancel

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5 Helpful Hints for Users (Continued)

E Adding and Deleting Producers and Changing Shares

This is an example of the Payment Correction – Edit Screen that can be used to:

- add or delete a producer
- change producer shares.

The following table provides steps to be used when **adding** producers.

Step	Action
1	Make all selections of Add Producer for each contract period before making any other changes.
2	Enter the new producer's share for these same contract periods.
3	Enter a “Correction Effective Date” for these same contract periods.

The screenshot displays the 'MILC-X' web interface for 'Payment Correction - Edit'. At the top, it identifies the user as being in Wisconsin, Lafayette County. The main section is for the 'FEBRUARY' contract period, with a recorded amount of 100.13 and 95,000 pounds. Below this, there is a table of 'Producer Information' with one entry for 'STEVE MAU' with a share of 100.00. A red circle highlights the 'Add Producer' link. At the bottom, the 'JANUARY' contract period is also visible with a recorded amount of 105.40 and 100,000 pounds. Navigation buttons for 'Next', 'Back', and 'Cancel' are at the bottom right.

5 Helpful Hints for Users (Continued)

E Adding and Deleting Producers and Changing Shares (Continued)

This is an example of the Payment Correction – Summary Screen that will be displayed with an added producer, “Place Farms, Inc.”

This screen will be displayed just before users submit corrections by clicking “Submit”. This example shows that an:

- **overpayment** of \$50.06 has been created for Steve Mau
- **underpayment** of \$50.06 has been created for Place Farms Inc.

State: Wisconsin County: Lafayette

Payment Start Month: **JANUARY** Fiscal Year: 2006

Contract Period: FEBRUARY Amount: 100.13
 Recorded Pounds: 95000 Date Received: 04-28-2006
 Correction Effective Date: 04-28-2006

Producer Information:

Del/Chg	Producer's Name Tax ID	Type	Accept	Share	Eligible (Y/N/P/R)	Original Amount	New Amount	Difference
Chg	STEVE MAU	S	Y	50.00	Y	100.13	50.07	-50.06
Chg	PLACE FARMS INC	E	Y	50.00	Y	0	50.06	50.06

Receivable will be created.
Payment will be issued.

Submit Back Cancel

IF the original payable was...	THEN...
signed in NPS and paid to Steve Mau	a receivable will be established. A payment will be created for Place Farms Inc. Both amounts will be \$50.00. The payment will be sent to NPS. The negative number displayed in the “Difference” column represents the receivable amount.
not signed in NPS and not paid to Steve Mau	the original payment in NPS will be cancelled. A new payment will be issued to Steve Mau for the corrected amount, and a payment will be issued to Place Farms, Inc.

5 Helpful Hints for Users (Continued)

E Adding and Deleting Producers and Changing Shares (Continued)

When everything is correctly displayed on the summary screen the user shall CLICK “Submit” to complete the correction. If the information displayed on the summary screen does **not** appear to be correct, **do not** CLICK “Submit”. CLICK “Cancel” and re-verify the data before proceeding.

F Interrupted Corrections and Resumed Processing

If the correction process is interrupted:

- by inadvertently “x”ing out of the application, or if a power outage occurs, messages may not be displayed for each payable; messages are **not** retained
- before being completed users can resume the process by re-selecting the contract; the message, “Payment correction in progress.” will be displayed following the dairy operation name.

After completing a resumed correction, all messages generated **after** the resume has started will display on the Homepage.

G Verifying Corrections

User shall verify all correction changes by:

- selecting “Payment Inquiry” and the associated contract number
- checking NPS to ensure that the payable is present with the correct data.

H Assistance for NPS or Receivables

Users shall contact FMD for assistance with NPS, receivables, late payment interest, or program interest that relates to MILC-X correction transactions.

6 Program Interest on MILC-X Overpayments

A Existing Overpayments

Program interest shall **not** be charged on MILC-X overpayments that were pending because of the unavailability of correction software. After the receivable is transferred to the System 36/AS 400, remove the interest start date and interest rate.

B Overpayments Discovered After Correction Software is Available

Program interest shall be applied to overpayments that are discovered after June 30, 2007.