

**For:** State and County Offices

**Re-Opening MILC Software to Process Payments**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 Resume MILC Payment Processing**

**A Background**

On April 2, 2009, DAFP authorized the MILC software to be shutdown because of problems, as follows:

- payments to ineligible members of a joint operation where payments should have been reduced, were instead paid in-full when sent to NPS, resulting in overpayments
- MILC software was reading the eligibility flags for AD-1026, Controlled Substance, and Conservation Compliance in error for members of corporations, resulting in the following:
  - users receiving error messages
  - underpayments to some corporations.

The software fix for ineligible members of a joint operation where payments should have been reduced, but were paid in-full when sent to NPS, has been fixed.

There is still a software problem when checking the applicable flags for members of corporations. A future software fix to correct this problem will be issued as soon as possible. However, so MILC payments can resume, the MILC software will be re-opened for processing payments.

**B Purpose**

This notice advises State and County Offices that the MILC software will be re-opened for processing payments.

<b>Disposal Date</b>	<b>Distribution</b>
June 1, 2009	State Offices; State Office relay to County Offices

## Notice PS-645

### 1 Resume MILC Payment Processing (Continued)

#### C Current Software Capabilities

The MILC software has the following payment capabilities:

- **only** individuals; entities with business type codes “00” and “01”
- joint operations, joint ventures, and general partnerships; entities with business type codes “02” and “03” that result in **only** individuals.

All these payments should process correctly according to all eligibility rules.

For all other payment entities, with business type codes other than “00”, “01”, “02”, and “03”, the eligibility rules will be applied to all embedded entities to the lowest level (warm body). **In some cases this will result in an improper payment (either an underpayment or no payment)**. There is **no** software check to avoid processing payments for these entities; therefore, it is important that County Offices are **extremely** conscientious when reviewing and approving **all** MILC payments.

County Offices **must** follow 3-PL, subparagraph 29 C, and set AD-1026 flags for **all** embedded entities, including entities whose members are 100 percent.

**Important:** If the incorrect payments are certified and signed in NPS, these payments **cannot** be fixed until Payment Correction software is defined, designed, coded, tested, and released.

#### D County Office Action

County Offices shall immediately resume processing MILC payments according to subparagraph C.