

For: State and County Offices

Restarting 2011 SURE Payment Processing

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, requires a reduction in payments, also known as sequester.

2011 SURE payment processing was disabled until software to sequester payments could be developed.

B Purpose

This notice advises State and County Offices that:

- 2011 SURE payments will be processed on or about **January 17, 2014** and will be available for certifying and signing on **January 21, 2014**
- transaction statement wording for 2011 SURE payments has been changed.

2 2011 Sure Payments

A SURE Payment Processing

2011 SURE payments will be processed on or about **January 17, 2014**.

Disposal Date	Distribution
March 1, 2014	State Offices; State Offices relay to County Offices

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2 2011 SURE Payments (Continued)

B SURE Transaction Statement

Because of sequestering 2011 SURE payments, the wording for the transaction statement has been changed to the following.

“The Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, requires a reduction, known as a sequester, in many federal payments newly obligated in 2014. New payments issued after October 1, 2013, under the 2011 SURE Program have been reduced by 7.2 percent due to sequester-related reductions. Corrections to payments initially issued prior to October 1, 2013, are not subject to the 7.2 percent reduction.”

C Sequestering 2011 SURE Payments

Payments for 2011 SURE will have a sequestration percentage automatically applied to the payment amount determined after all reductions have been applied. The sequestered:

- percentage is 7.2 percent
- amount is applied at the payment entity level
- amount is not attributed to members
- amount is reduced from the determined payment amount for the payment entity as the last step before sending the payment information to NPS.

D 2011 SURE Payments Sequestration Exceptions

All 2011 SURE payments obligated in FY 2014 will be sequestered. SURE payments are obligated at the time of payment, **not** the date of signature or approval. Therefore, if an obligation occurred before FY 2014, the payment will not be sequestered.

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2 2011 SURE Payments (Continued)

D 2011 SURE Payments Sequestration Exceptions (Continued)

The following table provides payment scenarios and sequestration determinations.

Exception	Is the payment sequestered?
A 2011 SURE application was signed and approved in September 2013. The SURE payment was loaded into the SURE payment software, but was not processed before October 1, 2013.	Yes
A new 2011 SURE payment amount was entered in the SURE payment system after October 1, 2013, and the payment is processed after the sequestration software is released.	Yes
A 2011 SURE application was only partially paid before October 1, 2013, because of an eligibility condition. All eligibility conditions have been resolved and the remaining payment amount is now ready to be paid.	No
A 2011 SURE payment was not paid before October 1, 2013, because eligibility had not been updated. All eligibility conditions are now updated and the producer's payment is processed.	Yes
A 2011 SURE application was paid before October 1, 2013, and the payment is canceled after the sequestration software is released. The application is reapproved after the sequestration software is released.	No
A \$20,000 2011 SURE payment was issued in July 2013. In November 2013, a new RMA download is received increasing the amount due the producer to \$25,000. The payment amount is modified to \$25,000, and the producer is now due an additional \$5,000. The \$5,000 additional payment is processed.	No

3 Changes to Common Payment Reports

A Common Payment Reports

Common Payment Reports will function as they normally do for 2011 SURE payments with the following exceptions:

- payment amounts displayed on the Common Payment Reports will either be **before** or **after** sequestration was applied
- disclaimers have been either modified or added to each report for sequestration except for the Payments Computed to Zero Report, which does not have a disclaimer.

Note: Since the sequestration reduction is applied at the payment entity level, the amounts displayed on the various Common Payment Reports that are attributed or reduced for members of the entity or joint operation will not add up to the payment amount for the payment entity.

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3 Changes to Common Payment Reports (Continued)

B Information About Common Payment Reports

The following table provides specific information about each report.

Report	Sequestration Reduction Displayed on Report	Name of Payment Field	Amount Displayed Before or After Sequestration Applied
Estimated Calculated Payment	N/A	Calculated Payment	Before
Submitted Payments Report	N/A Note: Payment Reduced will be “Yes” only if reductions other than sequestration apply.	Amount Submitted	After
Submitted Overpayments Report	N/A	Amount Submitted	N/A
Pending Overpayment Report	N/A	Overpayment Amount	N/A
Nonpayment/Reduction Report	No	Accumulated Amount	Before
Insufficient Funds Report	N/A	Calculated Payment Amount	After
Payments Computed to Zero Report	N/A	N/A	N/A
Payment History Report -	Yes	Net Payment	After
Payment History Report -	Yes	Net Payment	After

4 Action

A State Office Action

State Offices shall ensure that County Offices:

- are immediately informed of the contents of this notice
- take action, when applicable, according to the information provided in this notice.

B County Office Action

County Offices shall follow:

- 1-SURE, Part 11 for payment and overpayment processing
- the Common Payment Reports System procedure in 9-CM, Part 5 for payment and overpayment reports.