

For: Tobacco State and County Offices

**Tobacco Payment Program (TOPP)
Payment Software Procedures**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notice TB-1073 provided instructions for loading TOPP application data into the System 36.

County Transmittal No. 511 will provide software to enable County Offices to issue TOPP payments.

Instructions for handling overpayments and underpayments will be issued in a forthcoming notice and software for these situations will be available in a future county transmittal.

B Purpose

This notice provides TOPP payment instructions for:

- printing preliminary payment registers
- verifying payment rates
- issuing TOPP payments.

C Dates

TOPP payments shall be issued **before** June 1, 2003.

<p>Disposal Date</p> <p>January 1, 2004</p>	<p>Distribution</p> <p>Tobacco State Offices; State Offices relay to applicable County Offices</p>
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2 Important TOPP Payment Information

A Eligibility

An eligible person is one who, as of July 1, 2002, owns a farm for which a quota or acreage allotment was established for the 2002 crop year. A farm from which quota, either all or part, was transferred by way of spring lease and transfer (L&T) will be eligible.

The following are the different kinds of eligibility.

- **Owner eligibility.** Quota owners are those persons or entities who actually own the land, at the tract level, to which the quota is assigned. Persons who purchase and assign quota to a tract that they do not own will be required to make an arrangement with the actual owner of the tract before approval of CCC-952. A person who is not an owner of the farm to which the quota is assigned is not eligible for an owner payment but may receive a payment by way of an assignment executed according to established procedure.

Example: John is the sole owner of FSN 10. He wants his granddaughter Mary to receive his payment. Mary should not be added to or associated with the farm through the System 36 because she does not meet TOPP eligibility requirements and does not share ownership of John's farm. John can assign his payment to Mary or he can give his payment to her after he has received it.

- **Controller eligibility.** Controllers are those persons or entities who are in control of the land that is actually used to produce tobacco and who also share in the risk of producing the tobacco on that land. A person not in control of the farm for which an application is made, and who does not also share in the risk of producing the tobacco on that farm, is not eligible for a controller payment but may receive a payment by way of an assignment executed according to established procedure.

Example: Bob owns 1 tract and leases 4 others. The 5 tracts are combined as FSN 30. There is quota on 2 of the 4 tracts he leases and he grows and markets all of the farm's allotment. Bob is eligible for the controller payment for FSN 30, but neither of the persons who own the 2 tracts in the farm that have tobacco quota is eligible for a controller payment.

2 Important TOPP Payment Information (Continued)

A Eligibility (Continued)

Grower/Tenant eligibility. Growers and tenants are those persons or entities who provide labor to produce the tobacco on the farm for which a TOPP application is being made, and who also share in the risk of producing the tobacco for which they provide labor. A person who does not provide labor to produce tobacco and share in the risk of producing that tobacco is not eligible for a grower/tenant payment, but may receive a payment by way of an assignment executed according to established procedure.

Example: Maria, who is ill, owns a farm on which there is tobacco quota. Her son and daughter-in-law grow corn, soybeans, and tobacco on Maria's farm, paying all costs associated with the crops' production and marketing. Maria is not eligible for a grower/tenant payment for the tobacco grown on her farm. However, her son and daughter-in-law have assigned part of the payment to the county in which the farm is located to pay the real estate tax.

Note: Farm laborers who provide service in exchange for a wage and whose wage is not subject to the marketing of the tobacco crop are not considered to have shared in the risk of production.

- **Producer eligibility.** Producers are those persons or entities who are actively engaged in planting, growing, harvesting, and/or marketing the tobacco on the farm for which an application has been made or who share in the risk of producing the tobacco on that farm. A person who does not meet any of these listed eligibility requirements is not eligible for a producer payment, but may receive a payment by way of an assignment executed according to established procedure.

Example: Theo cash rents a farm on which there is tobacco quota. He produces and markets that tobacco, and is therefore eligible to receive the producer payment for the farm. The farm's owner, who raises beef cattle on the farm but has nothing to do with producing the tobacco, is not eligible for a producer payment.

- **Compliance eligibility.** All applicants for payment under TOPP must be in compliance with AD-1026, controlled substance, and 6-CP for the 2002 crop year according to 6-CP.

Note: If applicant does **not** have AD-1026 on file for 2002 crop year, AD-1026 for 2003 must be filed and applicant must be in compliance for AD-1026, controlled substance, and 6-CP according to 6-CP.

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2 Important TOPP Payment Information (Continued)

B Certification

TOPP is being implemented as a certification program. Therefore, certifications will be accepted from the best sources available. Thus, for instance, certifications are to be accepted from 1 or more of the owners of a farm as to the identity of the other owners and of those owners' share of the tobacco quota.

Note: Landowners in cases of "heir property" will not be required to produce legal documentation to confirm ownership if such is not readily available.

Example 1: FSN 20 is owned by 5 people. If only 3 owners, in agreement, certify to owner shares on a TOPP application, those owner's certifications will be accepted without the necessity for supporting documentation and without the certification of the other 2 owners and, if they are otherwise eligible, each of these 3 owners will receive a payment for the share to which she/he certified. However, if all 5 owners certify and disagree about the shares, none of the owners will receive a payment.

Example 2: There are 3 producers on FSN 20. If only 1 producer certifies to producer shares on a TOPP application, that producer's certification will be accepted without the necessity for supporting documentation and without the certification of the other 2 producers; and, if that producer is otherwise eligible, she/he will receive a payment for the share to which she/he certified. However, if all 3 producers certify and disagree about the shares, none of the producers will receive a payment.

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2 Important TOPP Payment Information (Continued)

C COC Action

COC shall take the following actions:

- redelegate authority to CED to approve TOPP applications when there are not disputed shares and when payments would otherwise not be made by the statutory deadline of June 1, 2003
- approve hardship applications filed after May 16, 2003, according to the instructions in Notice TB-1070
- send letters to applicants of disapproved applications
- send letters to applicants who are not eligible for payment because of disputed shares
- note, initial, and date the justification for any changes to an application on the back of CCC-952, page 2.

4 County Office Action

A Action to Take Before Making Payments

Before issuing TOPP payments, County Offices are to complete the following actions. Using option 4, print "Preliminary Payment Calculation/Payment Register":

- verify accuracy of payment rates for applicable kind of tobacco
- verify applicant and allocated payment pound information is accurate
- verify applicant compliance eligibility.

B Assignment and Joint Payment System

Assignment or joint payment records must be established before calculating and processing TOPP payments.

To establish an assignment of the 2002 crop TOPP in the Assignment and Joint Payment System after installation of County Release No. 508, County Offices shall:

- place an "X" in the box for TOPP
- establish the assignment or joint payment records according to 63-FI.

For an assignee to receive EFT, a completed SF-1199A must be on file. County Offices shall process SF-1199A according to 1-FI.

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4 County Office Action (Continued)

C Accessing TOPP Payment Software

From Menu FAX250, access Menu TOPP according to the following table.

Step	Menu	Action
1	FAX250	ENTER "3" or "4", "Application Processing", as applicable, and PRESS "Enter".
2	FAX09002	Enter the appropriate County Office, if applicable, and PRESS "Enter".
3	FAX07001	ENTER "18", "Tobacco/Peanuts", and PRESS "Enter".
4	M00100	ENTER "8", "Tobacco Payment Program", and PRESS "Enter". Menu MNH00 will be displayed.

The following is an example of Menu MNH00.

COMMAND	MENU: MNH00
TOBACCO PAYMENT PROGRAM - TOPP MENU	
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1. Display Farm and Tract Data	
2. Print Multiple Farm and Tract Data	
3. CCC-950 Application Processing	
4. Preliminary Payment Calculation/Payment Register	
5. Issuing Payments	
*6. (Reserved)	
*7. Recording Overpayment/Underpayments	
*8. (Reserved)	
9. Add Other Producers	
21. Return to Application Selection Menu	
22. Return to Office Selection Menu	
23. Return to Primary Selection Menu	
24. Sign Off	
Cmd3 - Previous	* Option Currently Not Available
Ready for option number or command	

Note: Installing County Transmittal No. 511 will activate options 4 and 5.

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4 County Office Action (Continued)

D Option 4, "Preliminary Payment Calculation/Payment Register"

Selecting option 4 will cause a TOPP preliminary payment calculation/payment register to print. The register may be printed for either an entire county or for a single farm. County Offices may use this register to continue verifying the accuracy and completeness of loaded TOPP data. Errors found in reviewing the register may be corrected through option "3", "Modify Application".

Note: The register may be printed as often as necessary. If the register is run for an entire county, all kinds of tobacco in that county will be included in the register, separated by kind.

- **Verify payment rates shown on the register, by applicable kind of tobacco, using Exhibit 1.**
- **Verify that applicant and allocated pound information is accurate. The information displayed on the register is the sole basis for payments.**
- **A second party shall review, sign, and date the final register which was run before payments are issued.**
- **Verify the applicants compliance eligibility.**

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4 County Office Action (Continued)

D Option 4, “Preliminary Payment Calculation/ Payment Register” (Continued)

Print the preliminary payment calculation register according to the following table.

Step	Action		Result
1	On Menu MNH00: <ul style="list-style-type: none"> • ENTER “4” • PRESS “Enter”. 		Screen MNH4600 will be displayed.
2	On Screen MNH4600: <ul style="list-style-type: none"> • enter the printer ID and the number of copies to print • PRESS “Enter”. 		Screen MNH45001 will be displayed.
3	IF...	THEN...	
	the register to be processed and printed is for the entire county	ENTER “Y”, and PRESS “Enter.	The register will print and Screen MNH00 will be redisplayed.
	the register to be processed and printed is for a single farm	<ul style="list-style-type: none"> • ENTER “N”, and PRESS “Enter” • enter a farm number and field exit. Enter the number of the tobacco kind selected, and PRESS “Enter” • ENTER “Y” or “N” to select to print another farm’s register. 	Screen MNH45002 will be displayed. The register will print and Screen MNH40800 will be displayed.

Note: Screen MNH45001 allows the user to view/print the ineligibility codes (Exhibit 2). These codes print on the payment register.

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4 County Office Action (Continued)

E Option 5, "Issuing Payments"

Selecting option 5 will allow TOPP payments to be issued as either EFT or CCC-184's, as applicable, and will print payment transaction statements.

- Payments will be processed, and transaction statements printed, in batches of up to 200.

Note: The estimated time for processing payments and printing transaction statements for a batch of 200 is 1 hour using a tractor-feed printer.

- After a payment file has been built using this option, a batch description will be displayed, with a descending payment count, until all payments have been processed.

Example: A county displays a "Batch Description" with a payment count 575 flue-cured payments. After the initial batch of 200 has been processed, the "Batch Description" will show a payment count of 375 flue-cured payments. The County Office may press "Cmd7" to end the session after issuing 200 payments from a "Batch Description" that exceeds 200 and when the payment process is accessed at a later time, the "Batch Description" will display the balance of payments left to process.

- Batches may be printed in any sequence selected.

IMPORTANT: Users should be aware that farms with ineligible applicant compliance codes not corrected when batch print payment option is selected for the first time **will not** be able to process the farm through batch print option when flags have been updated to reflect eligibility for payment.

These farms will be paid through overpayment/underpayment software when flags have been updated.

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4 County Office Action (Continued)

E Option 5, “Issuing Payments” (Continued)

Issue payments according to the following table.

Step	Action	Result
1	On Menu MNH00: <ul style="list-style-type: none"> • ENTER “5” • PRESS “Enter”. 	Process MNH500 will run displaying the message, “TOPP Payment Calculation in Progress”. Screen MNH41201 will be displayed.
2	On Screen MNH41201: <ul style="list-style-type: none"> • enter the sequence number that represents the selected batch of payments to process • PRESS “Enter”. <p>Note: The system provides for up to 200 payments in a batch to be processed at one time.</p>	The system will display applicable informational screens about data control, checkwriting, or direct deposit processing as the TOPP payment data are passed to the accounting system. Screen ANK00201 will be displayed.
3	From Screen ANK00201, process payments and print producer transaction statements through the accounting system according to 1-FI (Rev. 13).	Screen MNT41201 will be redisplayed.
4	IF...	THEN...
	there are additional payments to process in a previously selected batch; or if there are other batches to select	enter the sequence number and process the payments according to Step 2.
	there are no additional payments to process	Screen MNH41201 will display the message, “All Approved Payments Have Been Issued”.

5 Action

A State Office Action

The State Office shall ensure that County Offices follow this notice.

TOPP Payment Rates

FLUE-CURED TOBACCO (TYPES 11-14):

Eligible States: AL, FL, GA, NC, SC and VA

Owner	\$0.02775
Producer	\$0.02775

BURLEY TOBACCO (TYPE 31):

Eligible States: AL, AR, GA, IN, KS, KY, MO, NC, OH, OK, TN, VA and WV

Owner	\$0.018500
Controller	\$0.017147
Grower/Tenant	\$0.017147

FIRE-CURED TOBACCO (TYPE 21):

Eligible State: VA

Owner	\$0.018500
Controller	\$0.018803
Grower/Tenant	\$0.018803

FIRE-CURED TOBACCO (TYPES 22-23):

Eligible States: KY and TN

Owner	\$0.018500
Controller	\$0.018517
Grower/Tenant	\$0.018517

DARK AIR-CURED TOBACCO (TYPES 35-36):

Eligible States: IN, KY and TN

Owner	\$0.018500
Controller	\$0.018547
Grower/Tenant	\$0.018547

TOPP Payment Rates

VIRGINIA SUN-CURED TOBACCO (TYPE 37):

Eligible State: VA

Owner \$0.018500

Controller \$0.018259

Grower/Tenant \$0.018259

CIGAR FILLER-BINDER TOBACCO (TYPES 42-44 AND 54-55):

Eligible States: MN, OH, and WI

Owner \$0.02775

Producer \$0.02775

TOPP Ineligible Code Definitions

TOPP INELIGIBLE CODE DEFINITIONS	
CODE	DEFINITION
01	ID number not found on EFM file
04	6-CP in home county is "B"
40	All flags are good but AD-1026 in home county for final payments
06	All flags are good but 6-CP in home county
60	All flags are good but 6-CP in other county
66	All flags are good but 6-CP in home and other county
07	All flags are good but controlled substance-FSA in home county
70	All flags are good but controlled substance-FSA in other county
77	All flags are good but controlled substance-FSA in home and other county
08	Any flag is bad in home/control and/or other county

Press "Enter" to end HELP