

For: Tobacco State and County Offices

**Instructions for Canceling Tobacco Transition Payment Program (TTPP) Payments
Issued to Deceased CCC-955/CCC-956 Holders or Closed Estates**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notices TB-1261 and TB-1262 required reviews when TTPP payments had been issued, either directly or indirectly, to Social Security numbers recorded by the Social Security Administration as assigned to individuals who died before the payments were issued.

Several questions have been received requesting policy and automation instructions on how to handle situations where the deceased CCC-955/CCC-956 holder has been issued a TTPP payment after the date of death. Other questions have been raised about how to handle situations where an estate (CCC-955/CCC-956 holder) that has received TTPP payments has been closed or was closed at the time CCC-955/CCC-956 for the estate was issued.

Current TTPP software provides the ability to cancel a signed payment request in National Payment Service (NPS) for the given payment year and CCC-955/CCC-956 number. This software will enable the County Office to establish a receivable against the CCC-955/CCC-956 holder for any payments that were disbursed after the date of death or the estate was closed.

If CCC made a payment to a person who was **not** an eligible quota holder or producer for a farm, after June 3, 2005, and the eligible quota holder or producer submits a claim with CCC for the same base quota level that was used to issue the initial payment, CCC will issue **no further payments** for the farm until **both** of the following occur:

- CCC determines the eligibility status of **each** person who submitted a claim for the farm
- repayment of the initial CCC payment is made.

Note: If CCC-955/CCC-956 has been sold, the entire CCC-955/CCC-956 value **must** be repaid to CCC.

Disposal Date	Distribution
October 1, 2009	Tobacco State Offices; State Offices relay to applicable County Offices

Notice TB-1263

1 Overview (Continued)

B Purpose

This notice provides:

- **required** steps to correctly establish receivables when it has been determined that TTPP payments were issued to a deceased individual or to a closed estate
- how TTPP will process requests to cancel payment requests for a selected CCC-955/CCC-956 number and payment year
- instructions for processing payment cancellations for signed payments in TTPP.

2 Action

A County Office Action

The following actions shall be followed if it has been determined that a TTPP payment was disbursed **after** the date of an individual's death or to an estate after the date the estate closed on unsold CCC-955/CCC-956's:

- use TTPP software to enter CCC-955/CCC-956 "in dispute" (DI)
- use TTPP Manage CCC-955/CCC-956 payment software to cancel invalid CCC-955/CCC-956 payment requests and create receivables for invalid CCC-955/CCC-956 payments (signed payment requests)
- only cancel a signed payment if the original check or payment is returned in full at the time the payment is canceled **unless the payment involves a deceased individual or closed estate after the date of the individual's death or estate closing**; in these cases, it is permitted to cancel a signed payment before the money is refunded.

Example 1:

John Doe received payments for FY's 2005, 2006, 2007, and 2008. The County Office discovered after the FY 2008 payment was disbursed that John Doe died in 2007 **after** the 2007 payment was issued. No heirs have been identified.

County Office will update the status of CCC-955/CCC-956 to DI. County Office will then cancel the FY 2008 payment according to paragraph 3. The FY 2007 payment is valid according to Notice TB-1261.

County Office will leave the original CCC-955/CCC-956 in DI status.

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2 Action (Continued)

A County Office Action (Continued)

Example 2:

Using Example 1, the County Office now receives a claim from an eligible successor to the deceased CCC-955/CCC-956 holder's CCC-955/CCC-956. The receivable established under Example 1 has **not** been repaid.

County Office shall accept the CCC-971 request. Current software will **not** allow CCC-971 to be transferred until the receivable has been paid. Notify the successor using the letter in Exhibit 1 that CCC-971 **cannot** be approved until CCC has recovered the erroneous payments made to the deceased CCC-955/CCC-956 holder.

Example 3:

Using Examples 1 and 2, the County Office now receives payment for the receivable created under Example 1.

County Office shall process the CCC-971 request. The resulting CCC-955/CCC-956's will be for 7 years and are eligible for the FY 2008 payment.

Example 4:

John Doe Estate received payments for FY's 2005, 2006, 2007, and 2008. The County Office discovered **after** the FY 2008 payment was disbursed that the estate was closed in 2005 **after** the 2005 payment was disbursed.

County Office will update the status of CCC-955/CCC-956 to DI. County Office will cancel FY's 2006, 2007, and 2008 payments according to paragraph 3.

The estate will be required to be re-opened in order to have a valid signature **before** CCC-955/CCC-956 can be transferred to the heirs through CCC-971.

County Office can either leave the John Doe Estate CCC-955/CCC-956 in DI status or transfer to the heirs through CCC-971. The resulting CCC-955/CCC-956's will be due the FY 2006, 2007, and 2008 payments.

Example 5:

County Office determines that John Doe Estate was closed at the time the estate CCC-955/CCC-956 was signed by the former executor.

County Office will terminate John Doe Estate using the Involuntary Termination software that will terminate all future payments and establish a receivable for all payments made.

If the heirs submit a claim, the County Office shall accept the request and notify the party using the letter in Exhibit 1 that states that the CCC-955/CCC-956 payments will **not** be disbursed until CCC has recovered the erroneous payments made to the estate.

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2 Action (Continued)

B State Office Action

State Offices shall ensure that County Offices follow the provisions in this notice.

3 TTPP Payment Canceling Process

A Beginning the Payment Cancellation Process

This is an example of the TTPP Homepage. To begin the payment cancellation process, under Links, CLICK “**Manage CCC-955/CCC-956 payment**”.

Links

- Section 508
- Accessibility
- Manage Farm (Quota Holder)
- Quota Holder Data
- Producer Data
- Manage contract payment**
- Prompt Pay Interest
- Contract Maintenance Reports

Tobacco Transition Payment Program Homepage

On October 22, 2004, The President signed the American Jobs Creation Act of 2004, (Pub. L. 108-357) which includes the Fair and Equitable Tobacco Reform, commonly referred to as the tobacco buyout.

Under this legislation, payments are made to tobacco quota holders and producers. This legislation also ends all aspects of the Federal tobacco marketing quota and price support loan programs effective with the 2005 crop.

Please select Link to continue

B Manage Payment Inquiry Screen

This is an example of the Manage Payment Inquiry Screen. To access payment information, select payment year, enter CCC-955/CCC-956 number, select the county, and CLICK “**Submit**”.

Notes: The payment year field defaults to the most recent year. If prior years need to be canceled, ensure that the appropriate year is selected **before** entering the CCC-955/CCC-956 number.

If CCC-955/CCC-956 has been voluntarily or involuntarily terminated, the message: “Contract has been Voluntarily/Involuntarily Terminated” will be displayed and **no** cancellation will be permitted.

Links

- Section 508
- Accessibility
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- Contract Maintenance Reports

Manage Payment Inquiry

Cancel Contract Payments

Payment Year: 2008

Contract No.: 9999999999

County: Bedford

Submit

3 TTPP Payment Canceling Process (Continued)

C Selecting CCC-955/CCC-956 Payment to Cancel

This is an example of the Cancel Contract Payment Screen. Normally only 1 payment request will exist for CCC-955/CCC-956 for a given year; however, in some instances more than 1 payment request (signed or not signed) can exist. If multiple payment requests exist, they will all be displayed.

Note: If users CLICK “Previous”, the Manage Payment Inquiry Screen will be displayed with **no** action taken.

Cancel	Tax Id/Type	Producer Name	Amount	Payment Status
<input checked="" type="checkbox"/>	****9999/S	JOHN DOE	\$224.70	Prompt Pay Interest required
<input checked="" type="checkbox"/>	****9999/S	JOHN DOE	\$224.70	Signed

Once CCC-955/CCC-956 payment display has been verified, under Cancel, CHECK (✓) the corresponding box for the payment or payment request to be canceled, and CLICK “Submit” to cancel the payment or payment request. Multiple payments and payment requests may be selected and canceled, if they exist for the selected payment year.

If the payment selected to be cancelled has a payment status of “Signed”, the TTPP cancellation software will create a receivable request. CCC-955/CCC-956 holder criterion that **must** be met is as follows:

- **must** be active in the Service Center Information Management System (SCIMS)
- tied to the CCC-955/CCC-956 State and county
- tax ID and type on CCC-955/CCC-956 **must** match the tax ID and type in SCIMS.

Note: If CCC-955/CCC-956 holder is an entity with a 02, 03, 05, or 07 business type, **all** members **must** meet CCC-955/CCC-956 holder criteria.

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3 TTPP Payment Canceling Process (Continued)

C Selecting CCC-955/CCC-956 Payment to Cancel (Continued)

If CCC-955/CCC-956 holder fails **any** of the criteria, an error message will be displayed.

This table provides all payment statuses that may be displayed on the Cancel Contract Payments Screen.

Payment Status	Status Definition
C1	Pre-Certified.
C2	Certified.
CL	Claim.
CU	Canceled.
FP	Foreign person.
HP	Held for program cancel.
OA	Other agency debt.
PP	Prompt pay interest required.
QU	Queued in NPS.
RV	Receivable.
SC	Payment previously reversed.
SI	Signed.
UC	Payment request previously canceled.

This table provides all error codes and messages that may be displayed on the Cancel Contract Payment Screen when users CLICK “**Submit**”.

Error Code	Error Message
AGIC	No member information found for the joint venture and crop code.
AGID	No data found in AGI, Subsidiary Eligibility, or SCIMS.
AGIE	No data found for the Entity ID – possible invalid ID.
N/A	Customer not Found in SCIMS.
N/A	Customer is inactive in SCIMS.
N/A	Customer has no Legacy Link.
N/A	The Tax ID on the CCC-955/CCC-956 does not match the Tax ID in SCIMS for this customer.
N/A	Multiple Active Customers Found in SCIMS.

3 TTPP Payment Canceling Process (Continued)

D Cancel Payment Confirmation Screen

This is an example of the Cancel Contract Payment Confirmation Screen that will be displayed after users CLICK “Submit” to cancel CCC-955/CCC-956 payment or payment request on the Cancel Contract Payment Screen. Users **must** CLICK “Continue” to cancel the displayed payment or payment request.

Note: If users CLICK “Cancel”, the Manage Payment Inquiry Screen will be displayed with **no** action taken.

Links

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Cancel Contract Payments Confirmation

Cancel the following payments?

Program year: 2008
 Contract No: 999999999999
 Contract Status: AP
 Tax Id and Type: ****9999/(S)
 Contract holder name: JOHN J DOE

Tax Id/Type	Producer Name	Amount	Payment Status
****9999/(S)	JOHN J DOE	\$224.70	Prompt Pay Interest required
****9999/(S)	JOHN J DOE	\$224.70	Signed

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3 TTPP Payment Canceling Process (Continued)

D Cancel Payment Confirmation Screen (Continued)

The Cancel Contract Payments Confirmation Page will be redisplayed with the following:

- amount of the payment to be canceled
- a question asking, “Payments have been signed in NPS, Create receivable for contract (applicable CCC-955/CCC-956 number will be displayed)?”

An overpayment (receivable) request is the first step in creating a receivable to offset the signed payment.

Note: The Cancel Contract Payments Confirmation Page will **not** be displayed if the payment request being canceled has **not** been signed in NPS.

When users CLICK “Yes”, TTPP will generate an overpayment request and the Cancel Payments Results Screen will be displayed.

Note: If users CLICK “No”, the Cancel Contract Payments Screen will be displayed to select payments on CCC-955/CCC-956 to cancel.

Cancel Contract Payments Confirmation		
Payments have been signed in NPS, Create receivable for contract 999999999999?		
Tax Id/Type	Producer Name	Amount
*****9999(S)	JOHN J DOE	\$224.70
<input type="button" value="Yes"/> <input type="button" value="No"/>		

Links

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3 **TTPP Payment Canceling Process (Continued)**

E Cancel Contract Payment Results Screen

The Cancel Contract Payments Result Screen will be displayed when the selected signed or unsigned payments have been canceled for the selected CCC-955/CCC-956. TTPP will **only** display either the unsigned or signed payment message, as appropriate, if **only** 1 type of payment request is being canceled.

The following message will be displayed for payment cancellations if the CCC-955/CCC-956 is in approved or DI status. “The contract status has been set to Obligation Pending. Once obligation actions are performed for the contracts (an automatic process that runs every 5 minutes), the contract will be set back to previous status accordingly (Approval or In Dispute).”

If users CLICK “OK”, the Manage Payment Inquiry Screen will be displayed.

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- Section 508
- Accessibility
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- Reports

Cancel Contract Payments Result

Program year: 2008
Contract No: 999999999999

The following unsigned payment request has been cancelled in TTPP and NPS.

Tax Id/Type	Producer Name	Amount
****9999 /S	JOHN J DOE	\$224.70

The following signed payment has been cancelled by creating an offsetting receivable.

Tax Id/Type	Producer Name	Amount
****9999 /S	JOHN J DOE	\$224.70

The contract status has been set to Obligation Pending. Once obligation actions are performed for the contracts (an automatic process that runs every 5 minutes), the contract will be set back to previous status accordingly (Approval or In Dispute).

Example Notification Letter

This letter shall be used to notify parties requesting payment that the CCC-955/CCC-956 payments will **not** be disbursed until CCC has recovered the erroneous payments made.

(insert date)

(insert name and address of CCC-971 applicant)

Dear (insert name),

This letter concerns your CCC-971 request submitted on (insert date) for the transfer of Tobacco Transition Payment Program (TTPP) CCC-955/CCC-956 # (insert CCC-955/CCC-956 number) to (insert Quota Holder or Producer) due to the death of the existing CCC-955/CCC-956 holder, (insert name of deceased CCC-955/CCC-956 holder) on (insert date CCC-955/CCC-956 holder died).

I have determined that you, as the surviving spouse (or insert executor, executrix or administrator of the estate of the deceased CCC-955/CCC-956 holder) are eligible to receive the remaining annual TTPP CCC-955/CCC-956 payments that were due the deceased CCC-955/CCC-956 holder for the years (insert applicable years due after death of i.e., 2008-2014). This action is in accordance with TTPP regulations.

Unfortunately, at this time I am unable to process your transfer request. Under TTPP regulations, if CCC has made payments to a person (after June 03, 2005) and it is later determined that that person was not eligible to receive payments, CCC will not issue further payments on the farm in question until those payments have been refunded in full to CCC. In this case, CCC has notified the [name of ineligible recipient] that the annual payments made for (enter applicable year), in the amount of \$ [enter amount], made after the death of [enter name of deceased CCC-955/CCC-956 holder], were done so erroneously, but these payments have not yet been refunded by [enter name of ineligible recipient] or anyone else.

Upon the refund or collection of all applicable erroneous payments made, CCC will promptly process your claim and submit (for your signature) a TTPP CCC-955/CCC-956 for all of the remaining CCC-955/CCC-956 payments that were due the deceased CCC-955/CCC-956 holder at the time of their death

You may appeal my determination to the County Committee (COC) by filing a written request not later than 30 calendar days after the date of this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the COC, you have the right to an informal hearing which you or your representative may attend either personally or by telephone.

The appeal request letter should include that you wish to appeal the determination made by the County Executive Director (CED) and an explanation why you believe the determination is erroneous.

Submit you appeal request letter to the (insert county name) COC at the following address:

(Insert FSA Service Center address)”

If my decision is appealed to the COC, you will be notified of the date and time of the scheduled COC appeal hearing. If my determination is not appealed to the COC within 30 calendar days of this notice, my decision will become final.

Any COC decision made at the hearing may be appealed to the (insert name of state) FSA State Committee (STC) or to the USDA National Appeals Division (NAD).

Should you have any questions please contact (insert name) at (insert telephone number).

Sincerely,

(Insert name)

County Executive Director