# FSA
## HANDBOOK

# Common Payment System

For State and County Offices

SHORT REFERENCE

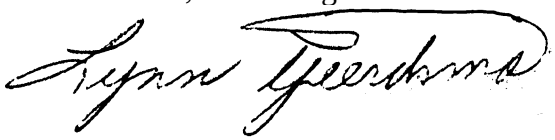
9-CM

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

**UNITED STATES DEPARTMENT OF AGRICULTURE**
Farm Service Agency
Washington, DC 20250

| Common Payment System<br>9-CM | Amendment 1 |
|---|---|

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



## Amendment Transmittal

### A Reasons for Issuance

This handbook has been issued to:

- provide general payment policy and payment eligibility provisions
- describe how direct attribution affects payment amounts
- describe the common payment process
- describe a series of common payment reports that can be used for various programs.

The following programs are currently using, or will be when deployed, the Common Payment System:

- ACRE
- BCAP
- CRP
- DCP
- ECP
- EFRP
- ELAP
- GRP
- LFP
- LIP
- SURE
- TAP.

**Note:** All of these programs are **not** using the Common Reports System at this time.

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4 Payment Eligibility Overview
5 DCP/ACRE Payment Eligibility Certifications/Determinations
6 Disaster Assistance Program Payment Eligibility Certifications/Determinations

# Part 1 Basic Information

## 1 Handbook Purpose, Related Handbooks, and Sources of Authority

### A Handbook Purpose

This handbook:

- provides information related to the common payment process for web-based payment applications
- describes general policy applicable to payments administered by FSA
- provides policy and procedure information related to direct attribution
- provides a comprehensive description of the common payment system and how payments using this system are processed
- describes a series of standardized reports developed to assist State and County Offices with the administration of program payments.

### B Related Handbooks

The following FSA handbooks are related to farm program payment applications and payments.

| Topic | Related Handbook |
|---|---|
| Adding customers or maintaining SCIMS information | 1-CM |
| Procedure for updating HEL and WC determinations in the web-based system | 3-CM |
| Payment reductions and violations | 4-CP |
| Policy about HEL and WC provisions | 6-CP |
| Policy about DCP and ACRE | 1-DCP (Rev. 3) |
| Procedure for recording DCP and ACRE contract data in the web-based system | 2-DCP (Rev. 1) |
| Depositing remittances | 3-FI |
| Accounting payment process | 6-FI |
| Policy about claims and withholdings | 58-FI |
| Policy for handling prompt payment interest penalties | 61-FI |
| Policy for reporting data to IRS | 62-FI |
| Policy for assignments and joint payees | 63-FI |
| Procedure for establishing receivables in NRRS | 64-FI |
| Procedure for establishing and reporting debts in CRS | 67-FI |

## 1 Handbook Purpose, Related Handbooks, and Sources of Authority (Continued)

### B Related Handbooks (Continued)

| Topic | Related Handbook |
|---|---|
| DD review responsibilities | 3-IC |
| Policy about LIP, LFP, and ELAP | 1-LDAP |
| Policy about payment limitation provisions including determinations for “actively engaged in farming”, “person”, and AGI eligibility | 1-PL |
| Software procedure for recording information in the joint operation and permitted entity files on the System 36 | 2-PL |
| Software procedure for recording eligibility determinations and certifications, combined producer information, and payment limitation in the web-based environment | 3-PL (Rev. 1) |
| Policy about payment limitation provisions including determinations for “actively engaged in farming”, direct attribution, and AGI eligibility for 2009 and subsequent crop years | 4-PL |
| Policy about SURE | 1-SURE |
| Policy about TAP | 1-TAP |

### C Sources of Authority for Direct Attribution Provisions

The Food, Conservation, and Energy Act of 2008 amended the Food Security Act of 1985 to provide for the following:

- payments are limited by direct attribution to persons and legal entities
- the permitted entity rule was **repealed**

  **Note:** Payments can be received through any number of legal entities with **no** designation required.

- restricted payment to Federal and State/local governments
- created new rules for eligibility based on average AGI.

See 4-PL for additional information.

## 1 Handbook Purpose, Related Handbooks, and Sources of Authority (Continued)

### D Sources of Authority for "Person" Provisions

Authority for the administration of the payment limitation and payment eligibility provisions is provided by Sections 1001, 1001A, 1001B, 1001C, and 1001D of the Food Security Act of 1985. The Omnibus Budget Reconciliation Act of 1987 and subsequent acts amended the Food Security Act of 1985 to:

- define the term "person"
- provide that a State, political subdivision, and agencies thereof are considered 1 "person"
- provide the rules under which a husband and wife may be separate "persons"
- include "cash rent tenant" provisions
- require that producers be "actively engaged in farming" to be eligible for certain programs
- limit payment to foreign persons
- limit the creation of entities to qualify as separate "persons" for payments.

See 1-PL (Rev. 1) for additional information.

### E Sources of Authority for Program-Specific Provisions

Sources of authority for other payment eligibility provisions are provided in the handbook published for the applicable program.

## 2-10 (Reserved)

# Part 2 General Payment Policy

## 11 Overview

### A Common Payment Process

Each program administered by FSA has payment eligibility rules and provisions that must be applied when determining whether a producer is eligible to receive a payment or a program benefit. While all rules and provisions may not apply to all programs, the provisions of those rules are generally consistent from one program to the next if the rule is applicable.

**Example:** Cash rent tenant provisions are not applicable to SURE, so it is not checked when processing SURE payments.

However, cash rent tenant provisions are applicable to DCP and ACRE. When determining whether the producer meets these provisions, the same eligibility conditions apply to both DCP and ACRE.

### B Included In This Section

This section includes general provisions that are applicable when determining whether payment entities or members of a joint operation or entity are eligible to receive payment or program benefits.

The rules in this section are used by the common payment process described in Part 4.

**Note:** Refer to the applicable program handbook for exceptions that may apply.

## 12 Eligible ID and Business Types

### A Importance of Recording Data Correctly in SCIMS

The common payment process uses information recorded in SCIMS to properly process each payment. The SCIMS information is used to determine:

- which rules apply to the particular type of operation that has applied for the program benefit or payment
- whether the payment entity and/or member is eligible to receive payment.

It is critical that information recorded in SCIMS is accurate and maintained according to 1-CM. Failure to do so could result in issuing improper payments.

### B Eligible Business Types

Depending on the rules applicable to the program, statutes may prohibit payment to producers with certain business types. Without regard to applicable eligibility provisions that apply to each specific program, this table identifies all the business types in SCIMS and specifies which business types are generally eligible for payment under direct attribution or "person" provisions. See the applicable program handbook for possible exceptions.

| SCIMS Business Type Name | SCIMS Business Type | Eligible | Not Eligible | Eligible for Certain Programs |
|---|---|---|---|---|
| Individual (Unknown, none of the above, not applicable) | 00 (01 on System 36) | ✓ | | |
| General Partnership | 02 | ✓ | | |
| Joint Venture | 03 | ✓ | | |
| Corporation | 04 | ✓ | | |
| Limited Partnership | 05 | ✓ | | |
| Estate | 06 | ✓ | | |
| Trust-Revocable (using a Social Security or employer ID number) | 07 | ✓ | | |
| Federal Owned | 08 | | ✓ | |
| State and Local Government | 09 | | | see subparagraph C |

## 12 Eligible ID and Business Types (Continued)

### B Eligible Business Types (Continued)

| SCIMS Business Type Name | SCIMS Business Type | Eligible | Not Eligible | Eligible for Certain Programs |
|---|---|---|---|---|
| Churches, Charities, and Non-Profit Organizations | 10 | ✓ | | |
| Public School | 13 | | | see subparagraph D |
| Bureau of Indian Affairs | 14 | | ✓ | |
| Indians Represented by Bureau of Indian Affairs | 15 | ✓ | | |
| Trust Irrevocable | 17 | ✓ | | |
| Individual Operating as a Small Business | 18 | ✓ | | |
| Indian Tribal Venture | 20 (14 on System 36) | ✓ | | |
| Limited Liability Company (using a Social Security or employer ID number) | 22 (04 on System 36) | ✓ | | |
| Financial Institution | 23 | | ✓ | |
| News Media | 48 | | ✓ | |
| Public Body | 97 | | ✓ | |
| Other | 98 | | ✓ | |
| General Entity Member | 99 | | ✓ | |

### C Special Provisions for State and Local Governments

Generally State and local governments were eligible to receive payment before enactment of the Food, Conservation, and Energy Act of 2008.

Payments to State and local governments are not authorized for 2009 and future years except for multi-year contracts approved before October 1, 2008, such as those applicable to CRP and EQIP. Under those programs, State and local governments continue to be eligible under the terms and conditions of the contract originally approved. See the following for additional information:

- 4-PL for payment limitation and payment eligibility provisions
- program-related handbook for specific program eligibility provisions.

## 12 Eligible ID and Business Types (Continued)

### D Special Provisions for Public Schools

Generally public schools were eligible to receive payment before enactment of the Food, Conservation, and Energy Act of 2008. For 2009 and future years, public schools are only eligible to receive payment if both of the following apply:

- land for which payments are received is owned by the State, political subdivision, or agency thereof
- payments are used solely for the support of public schools.

If both conditions are:

- met, then the payment entity must be classified in SCIMS as a “public school”
- not met, then the payment entity cannot be classified as a “public school”.

See the following for additional information:

- 1-CM for information on recording business types in SCIMS
- program-related handbook for specific program eligibility provisions.

## 12 Eligible ID and Business Types (Continued)

### E Eligible ID Types

The following tax ID types are eligible for payment if the business type is also eligible for the applicable program.

| Tax ID Type | Eligible Business Types |
|---|---|
| Social Security Number | • Individual<br>• Revocable Trust<br>• Limited Liability Company |
| Employer ID Number | • General Partnership<br>• Joint Venture<br>• Corporation<br>• Limited Partnership<br>• Estate<br>• Revocable Trust<br>• State and Local Government<br>• Churches, Charities, and Non-Profit Organizations<br>• Public School<br>• Irrevocable Trust<br>• Individual Operating as a Small Business<br>• Indian Tribal Venture<br>• Limited Liability Company |
| Federal ID Number | Federal Owned |
| IRS-Issued ID Number | Individual |
| No Tax ID | Indians Represented by BIA |

## 13 Payment Eligibility

### A Payment Subsidiary Eligibility for Individuals

The web-based eligibility system, as determined by the applicable program, is read to determine whether an individual is eligible to receive payments.

**Note:** See the applicable exhibit to determine which eligibility determinations/certifications apply to the program and are eligible conditions for which payments may be issued to an individual.

### B Payment Subsidiary Eligibility for Joint Operations and Members

The web-based eligibility system, as determined by the applicable program, is read to determine whether a joint operation is eligible to receive payments.

If it is determined that the joint operation is eligible to receive payments, the web-based eligibility system is read to determine whether the first level members of the joint operation are also eligible to receive payments. If 1 or more of the first level members is also a joint operation, the web-based eligibility system is read to determine whether the members of the embedded joint operation are eligible to receive payments. This process is continued until eligibility has been checked for all members of embedded joint operations.

See Exhibit 4 for additional information.

## 13 Payment Eligibility (Continued)

### C Payment Subsidiary Eligibility for Entities and Members

The web-based eligibility system, as determined by the applicable program, is read to determine whether an entity and/or members of an entity are eligible to receive payments.

If it is determined that the entity is eligible to receive payments, the web-based eligibility system is read to determine whether the members of the entity are eligible. Generally, only AGI compliance and foreign person provisions are applicable to members of entities.

See Exhibit 4 for additional information.

### D Payment Subsidiary Eligibility for Entities Without Members

The following entities may be eligible for payments but do not have members with an ownership interest:

- revocable trust using a Social Security number
- limited liability company using a Social Security number
- State, Federal, and local government
- churches, charities, and non-profit organizations
- public schools
- Indian tribal ventures
- Indians represented by BIA.

The web-based eligibility system, as determined by the applicable program, is read to determine whether an entity is eligible to receive payments.

See Exhibit 4 for additional information.

## 14 Cropland Factor

### A Introduction

The cropland factor, if applicable, must be entered in the web-based eligibility system if the producer or member does not meet or partially meets cash rent tenant provisions. The cropland factor affects the calculation of payments as well as the calculation of effective payment limitation, if cash rent tenant provisions apply to the program.

**Note:** Cash rent tenant provisions are only applicable to a limited number of programs, such as DCP and ACRE. See Exhibit 4 or the applicable program handbook for payment eligibility provisions applicable to each program.

### B Cropland Factor Affect on Calculation of Payment for Payment Entity

If cash rent tenant provisions apply to the program, the cropland factor affects the calculation of the payment.

**Example:** Individual has a 50 percent cropland factor. The gross payment calculates to $100. When cropland factor is applied, the individual's payment is calculated to $50 to reflect the 50 percent reduction.

### C Cropland Factor Affect on Effective Payment Limitation for Entity

If cash rent tenant provisions apply to the program, the cropland factor affects the calculation of effective payment limitation.

**Example:** Entity has a 100 percent cropland factor. The gross payment calculates to $100. All members of the entity have cropland factors of 0 percent because COC has determined the members do not meet cash rent tenant provisions. The members' cropland factor has no affect on the calculation of the $100 payment; however, it does affect the calculation of the effective payment limitation for each member. The application of 0 percent cropland factor to each member's payment limitation results in an effective payment limitation of $0 for the each member.

Since the payment cannot be attributed to the member, because of payment limitation, the amount payable to the entity is reduced by that member's ownership interest. In this example, the entity would have a $0 effective payment limitation.

**Note:** A cropland factor is not applicable for members of entities unless an actual cash rent tenant determination has been made by COC for the member. Typically, this determination is not made for members of entities unless the member has a separate farming operation.

## 14 Cropland Factor (Continued)

### D Cropland Factor Affect on Calculation of Payment and Effective Payment Limitation for Joint Operation

The cropland factor affects:

- the calculation of payment for a joint operation
- both the calculation of payment and effective payment limitation for the members.

**Example:** A Joint operation has a cropland factor of 50 percent. The joint operation consists of 2 members of which 1 has a cropland factor of 100 percent and the other has a cropland factor of 20 percent. The gross payment calculates to $100. The joint operation's 50 percent cropland factor is applied resulting in a calculated payment of $50. The members' cropland factor of 100 percent and 20 percent are then applied resulting in a calculated payment of $30. Effective payment limitation for each member of the joint operation has been reduced by 50 percent because of the joint operation's cropland factor.

## 15 Payment Limitation

### A Specific Program Payment Limitations

The following indicates the applicable payment limitations for a person or legal entity for specific programs.

| Program | Additional Information | Payment Limitation Per Year (2008 and future) |
|---|---|---|
| DCP Direct and ACRE Direct, except peanuts | If the person or legal entity is enrolled in ACRE, this limitation will be reduced. The maximum reduction applicable is $8,000. | $40,000 |
| DCP Direct and ACRE Direct, peanuts only | | $40,000 |
| DCP Counter-Cyclical and ACRE, except peanuts | If the person or legal entity is enrolled in ACRE, this limitation will be increased. The maximum increase applicable is $8,000. | $65,000 |
| DCP Counter-Cyclical and ACRE, peanuts only | | $65,000 |
| ELAP, LFP, LIP and SURE | One payment limitation applies collectively to all payments issued under these programs for the applicable program year. | $100,000 |
| TAP | | $100,000 |

See 1-PL, 4-PL, or the applicable program handbook to determine whether adjustments to the program payment limitation are applicable.

**Note:** See:

- 1-PL for payment limitation provisions for 2008 and prior years
- 4-PL for payment limitation provisions for 2009 and future years.

## 15 Payment Limitation (Continued)

### B Calculating Effective Payment Limitation

Use the following calculation to determine the effective payment limitation:

- program payment limitation, times
- attribution share, times
- cropland factor, if applicable to the program, plus or minus
- payment limitation adjustments.

See the following for additional information:

- paragraph 28 for determining attribution share
- paragraph 14 for determining applicability of cropland factor
- 3-PL, 4-PL, or the applicable program handbook for program adjustments.

### C Calculating Available Payment Limitation Balance

Use the following calculation to determine the available payment limitation balance:

- effective payment limitation, minus

- prior payments issued or attributed to the payment entity/member, minus

- prior payments issued or attributed to another producer that is combined with the payment entity/member.

**Example:** $40,000 (effective payment limitation)
- $10,000 (payments issued or attributed)
$30,000 (available payment limitation balance)

## 16 Joint Operations and Entities

### A Introduction

The Food, Conservation, and Energy Act of 2008 provides that the payment amounts shall be "attributed to a person by taking into account the direct and indirect ownership interests of the person in a legal entity that is eligible to receive the payments."

For the common payment process, member data for joint operations and entities is read from the mainframe based on data that has been uploaded from permitted entity and joint operation data recorded by the County Office on the System 36.

### B Obtaining Member Data

The Food, Conservation, and Energy Act of 2008 provides that each legal entity receiving payments shall provide the name and Social Security number of each person, or the name and TIN of each legal entity that holds or acquires an ownership interest in the legal entity.

Based on statutory requirements, if a member chooses not to provide TIN, then the entire payment entity is ineligible for payment.

**Exception:** Some entities do not have members with an ownership interest. Member data is not required to be recorded for these types of entities. See subparagraph 13 D for a list of entities without members.

## 16 Joint Operations and Entities (Continued)

### C Recording Member Data on the System 36

County Offices shall follow 2-PL to record member data through the joint operation and entity files on the System 36.

**Reminder:** Data is uploaded to the mainframe through the normal subsidiary upload process. It may take from 4 calendar days to 2 weeks for the data to upload and be processed on the mainframe before it is available for use by the common payment process.

### D Multi-County Producers

If the joint operation or entity is a multi-county producer, then the member data is only read from the county designated as the multi-county control county. If the County Office issuing the payment is not designated as the multi-county control county for the payment entity, then the information that the county has loaded in the joint operation/entity file is not read.

**Note:** The multi-county control county is listed in the “multi-county” section of the MABDIG in the “Rc St & Cty” field.

Although the member data is only read for the multi-county control county, it is imperative that County Offices coordinate with all counties where the producer participates to ensure that the joint operation/entity file data is recorded accurately. If a new CCC-902E is filed on behalf of the joint operation/entity, that information must be provided to the multi-county control county as soon as possible so the joint operation/entity file data can be corrected. Failure to do so could result in payments being attributed incorrectly to members which could result in issuing improper payments.

**Note:** See 2-PL for additional information.

## 17 General Provisions for Overpayments

### A Introduction

Overpayments will be determined during the applicable program's calculation process and the overpayment for the payment entity will automatically be transferred to NRRS without user intervention. Information pertaining to the overpayment will be updated to the Submitted Overpayment Report. See subparagraph B for an example of the Submitted Overpayment Report.

### B Example of Submitted Overpayment Report

The following is an example of the Submitted Overpayment Report.

Coahoma
Mississippi

United States Department of Agriculture
Farm Service Agency

Date: 04/30/2010
Page: 1

2009 Tree Assistance Program - Disaster Fund 2009
Submitted Overpayment Report

| Date | Producer Name | Payment ID Number | Business Type | Contract/ Application/ Farm | Debt Basis | Amount Submitted |
|---|---|---|---|---|---|---|
| 03/24/2010 | Any 1 Producer | 904005 | 00 | 40 | 428 | $ 40,000 |
| 04/01/2010 | Any 2 Producer | 922002 | 00 | 21 | 428 | $ 1,250 |

### C Charging Interest

Generally interest shall be charged on receivables from the date the original payment was disbursed if COC determines that the producer is ineligible because of the following reasons.

- Producer signed to information on the applicable application or contract that is subsequently determined inaccurate.
- Producer erroneously or fraudulently represented any act affecting a payment eligibility determination.
- Producer knowingly adopted a scheme or device that tends to defeat the purposes of the program.

## 17 General Provisions for Overpayments (Continued)

### C Charging Interest (Continued)

Generally, interest shall not be charged from date of disbursement if:

- overpayment resulted based on revised information that the producer would not have had reason to know was invalid, such as the calculation of the RMA guarantee basis
- FSA National, State, or County Office erred
- producer voluntarily refunds the payment that was issued and COC has not determined that the producer is ineligible.

**Notes:** Software does not currently support charging interest from the date of disbursement. Any receivable established is sent to NRRS with the current system date. If the receivable is not repaid within 30 calendar days from the date the initial notification letter is issued, interest will start accruing from the date the receivable was established.

If COC determines that the producer is ineligible and interest should be charged from the date of disbursement:

- County Offices shall contact their State Office for assistance
- State Offices shall contact OBF for guidance.

Refer to the applicable program handbook for any exceptions that may apply to each specific program.

## 18-24 (Reserved)

# Part 3 Direct Attribution

## 25 Overview

### A Statutory Requirements

The Food, Conservation, and Energy Act of 2008:

- provides that "each payment made directly to a person shall be combined with the pro rata interest of the person in payments received by a legal entity in which the person has a direct or indirect ownership interest unless the payments of the legal entity have been reduced by the pro rata share of the person"

- provides that "each payment made to a legal entity shall be attributed to those persons who have a direct or indirect ownership interest in the legal entity unless the payment to the legal entity has been reduced by the pro rata share of the person"

- repeals the 3-entity rule whereby individuals were required to designate up to 3 payment entities through which they chose to receive payment.

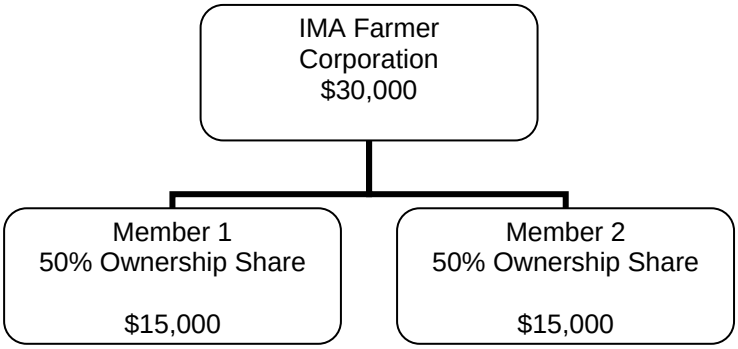
### B Basic Concept

The basic concept for direct attribution is that:

- amounts payable to a joint operation or entity will be attributed to the members based on each member's ownership interest in the farming operation

- payment limitation provisions will be applied to the members of joint operations and entities, thereby potentially affecting the payment amount that can be issued to the joint operation or entity.

**Example:** IMA Farmer is a corporation earning a $30,000 DCP-Direct payment. There are 2 members, each with a 50 percent ownership interest. Assuming all eligibility requirements are met, the payment will be attributed to the members as follows.



## 25 Overview (Continued)

### C Entities Without Members

Although the statute requires that payments to legal entities be attributed to members with an ownership interest, there are some legal entities that do not have members with a direct or indirect ownership interest. As such, payment amounts are not attributed to members of the following entities:

- revocable trust using a Social Security number
- church, charity, or non-profit organization
- public school
- Indians represented by BIA
- Indian tribal venture
- limited liability company using a Social Security number.

## 26 Determining Payment Entity Ownership Share

### A Introduction

Before amounts can be attributed to members of joint operations and entities, the payment entity ownership share must be computed for each member of the operation. This paragraph describes how the payment entity ownership share is computed.

### B Determining Whether Organizational Structure Is Valid

As a condition of payment eligibility, each legal entity (joint operation or entity) applying for program benefits must provide the name and TIN of each member with an ownership interest. Failure to provide a TIN for each member in the farming operation will result in the entire payment entity being ineligible for payment.

Once the member information has been collected on CCC-901 or CCC-902E, as applicable, County Offices shall record the member data in the joint operation or entity file according to 2-PL.

**Reminder:** The joint operation/entity file data must be uploaded to the mainframe to be accessible to web-based payment systems. The upload process may take up to 14 calendar days to upload and process. See paragraph 16 for additional information.

## 26 Determining Payment Entity Ownership Share (Continued)

### C Computing Member Ownership Interest

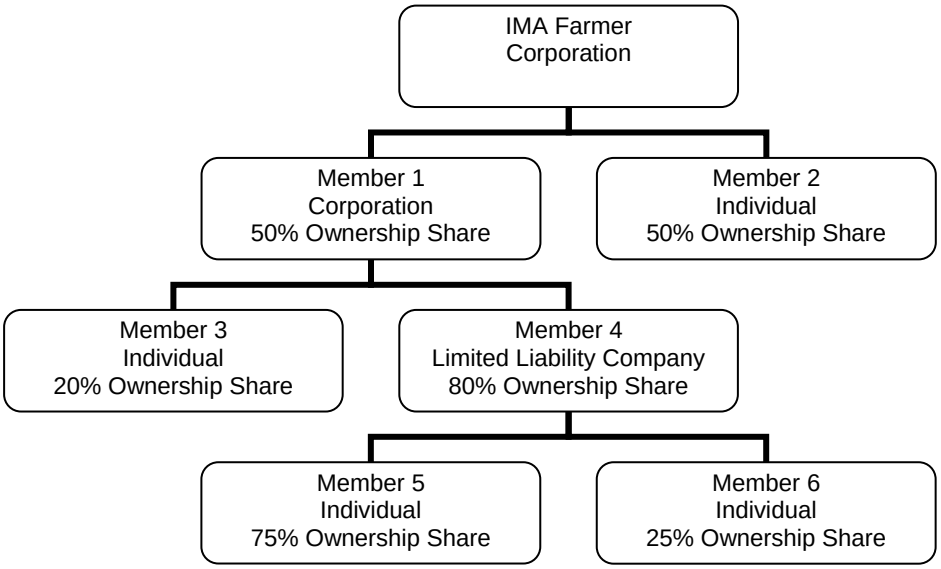
If all the direct members of the joint operation or entity are individuals, then the ownership interest is equivalent to the actual share recorded in the joint operation/entity file on the System 36. However, if 1 or more of the direct members is another joint operation or entity, then the members' ownership share must be computed.

Member ownership shares are computed by multiplying the following:

- share of the embedded entity, times
- direct (actual) share of the member of the embedded entity.

This calculation may need to be repeated if there are multiple embedded entities in the organizational structure.

**Example:** IMA Farmer is a corporation with the following organizational structure.




In this example, the following is applicable:

- Members 1 and 2 have a direct (actual) share in IMA Farmer Corporation of 50 percent each

- Members 3 and 4 have a direct (actual) share in Member 1 of 20 percent and 80 percent respectively

- Members 5 and 6 have a direct (actual) share in Member 4 of 75 percent and 25 percent respectively.

## 26 Determining Payment Entity Ownership Share (Continued)

### C Computing Member Ownership Interest (Continued)

The payment entity ownership shares are determined for the members of IMA Farmer Corporation as follows.

| Member Level | Member | Payment Entity Ownership Share | Computation |
|---|---|---|---|
| 1 | 1 | 50 percent | Actual share as recorded in the joint operation or entity file. |
| | 2 | 50 percent | |
| 2 | 3 | 10 percent | • 50 percent member ownership share of Member 1, times<br>• 20 percent member ownership share. |
| | 4 | 40 percent | • 50 percent member ownership share of Member 1, times<br>• 80 percent member ownership share. |
| 3 | 5 | 30 percent | • 50 percent member ownership share of Member 1, times<br>• 80 percent member ownership share of Member 4, times<br>• 75 percent member ownership share. |
| | 6 | 10 percent | • 50 percent member ownership share of Member 1, times<br>• 80 percent member ownership share of Member 4, times<br>• 25 percent member ownership share. |

Assuming all other eligibility requirements are met, payment amounts will be attributed to each member of IMA Farmer Corporation based on the payment entity ownership share computed in this table.

## 27 Three Member Level Rule

### A Statutory Requirements

The Food, Conservation, and Energy Act of 2008 provides that attribution of payments made to legal entities shall be traced through 4 levels of ownership. The levels are defined according to this table.

| Statutory Level | Description as Recorded in the Joint Operation/Entity File |
|---|---|
| 1st | Payment entity requesting the program benefit or payment. |
| 2nd | 1st level (direct) member of the joint operation or entity. |
| 3rd | 2nd level member of the joint operation or entity.<br><br>**Note:** This is also the direct member of the 1st level joint operation or entity. |
| 4th | 3rd level member of the joint operation or entity.<br><br>**Note:** This is also the direct member of the 2nd level joint operation or entity. |

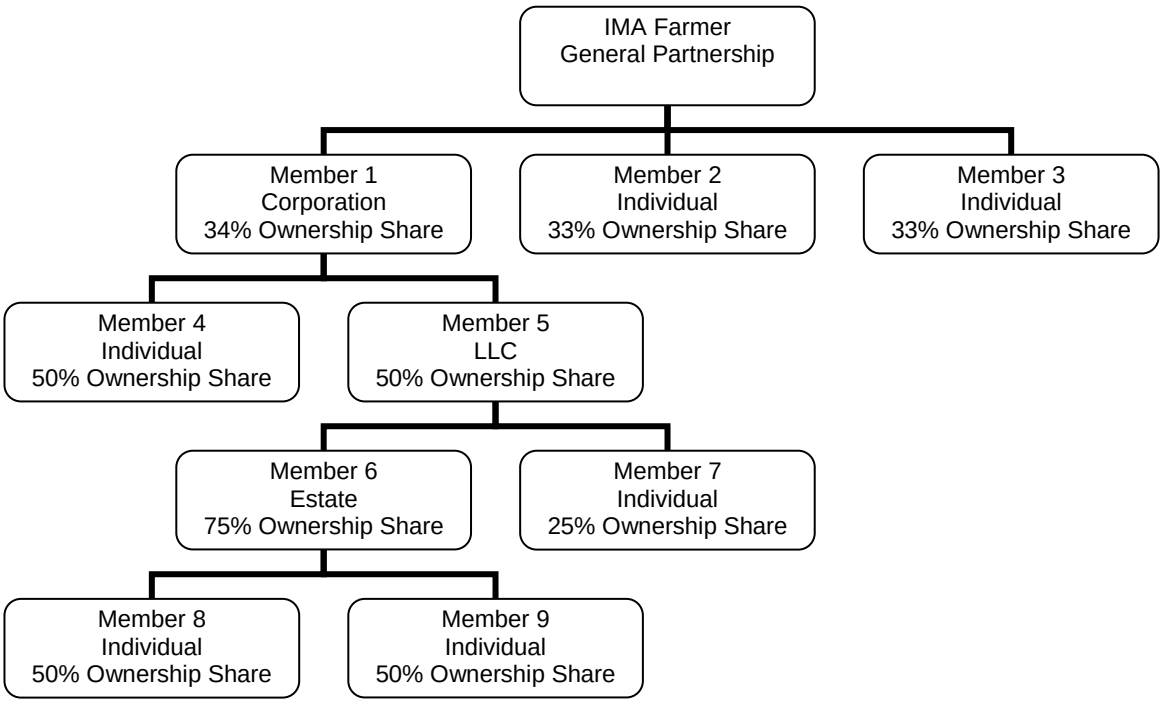
The joint operation and entity files on the S/36 allow entry of up to 5 member levels, however if the 3rd member level (4th statutory level) of a joint operation or entity is not any of the following business types, then the payment will be reduced by that member's payment entity ownership share:

- individual
- revocable trust using a Social Security number
- church, charity, or non-profit organization
- public school
- Indians represented by BIA
- Indian tribal venture
- limited liability company using a Social Security number.

## 27 Three Member Level Rule (Continued)

### B Example

IMA Farmer General Partnership is structured as follows.




In this example, Member 6 is a 3rd level member of IMA Farmer General Partnership and does not meet the three member level rule requirement because it is an estate. Therefore:

- the payment to IMA Farmer General Partnership will be reduced by 12.75 percent (payment entity ownership share) because of Member 6's ineligiblity

  **Note:** The payment entity ownership share is computed by multiplying:

  - 34 percent ownership share for Member 1, times
  - 50 percent ownership share for Member 4, times
  - 75 percent ownership share for Member 6.

- a reduction will be recorded by the system for Member 6 indicating they do not meet the three member level rule

- amounts will not be attributed to Member 8 and Member 9.

## 28 Attribution Share

### A Introduction

The attribution share is the share used to determine the following:

- payment amount that should be attributed to eligible members of joint operations and entities
- effective payment limitation for payment entities and members.

### B Determining Attribution Share

Multiple factors affect how the attribution share is computed and depend on which rules are applicable to the specific program. Factors include the following:

- permitted entity eligibility
- AGI eligibility
- foreign person eligibility
- member contribution eligibility
- substantive change eligibility
- 3 member level eligibility.

The attribution share is applied at the lowest member level and then the shares for eligible members are accumulated to the entity or joint operation level. If there are embedded entities, the eligible member shares are first accumulated to the embedded entity then accumulated up to the payment entity.

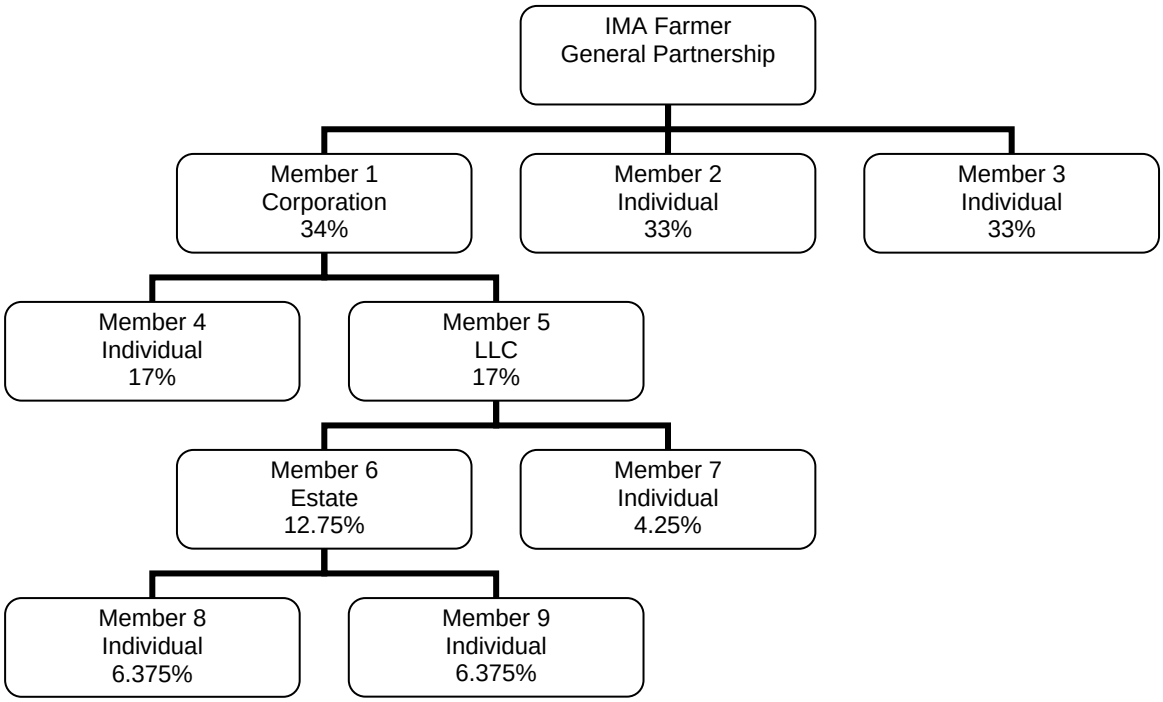
The attribution share is also affected by the rules applicable to the program. For example, member contribution only applies to DCP, so an ineligible member contribution for a member would not affect the attribution share for a program such as SURE.

## 28 Attribution Share (Continued)

### C Example of Attribution Shares

The following is the organizational structure for IMA Farmer General Partnership and is the basis for the following examples.

**Note:** The shares reflected for each member are the payment entity ownership shares. See paragraph 26 for additional information.



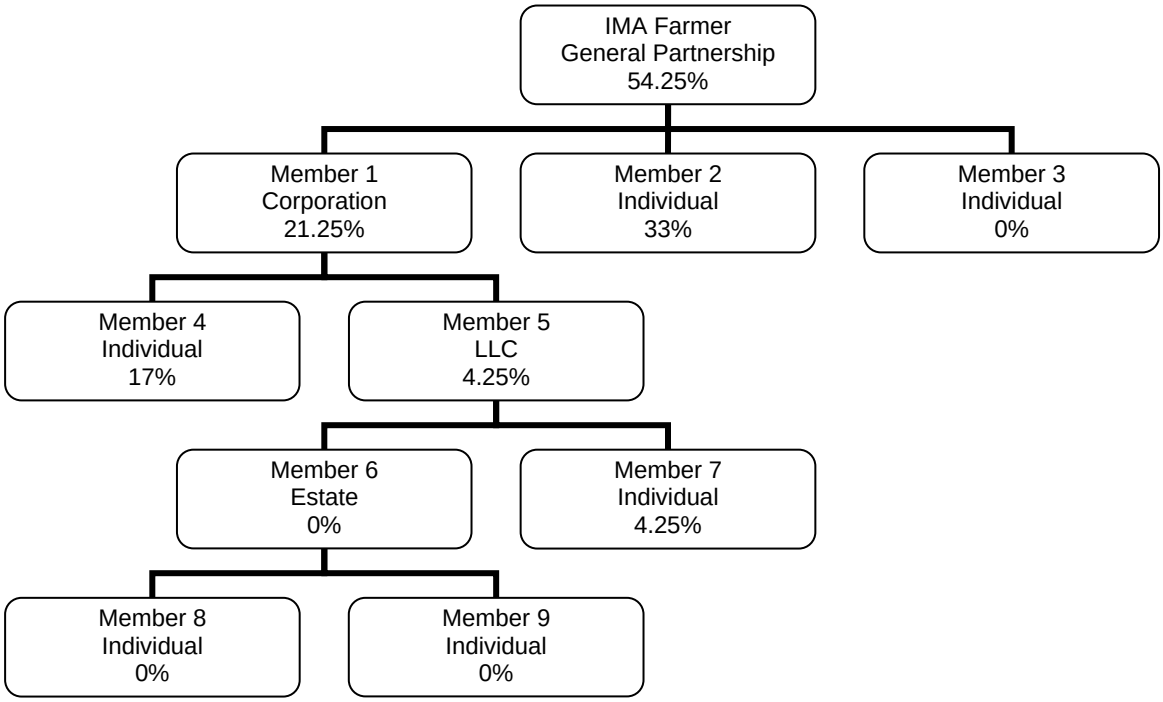
## 28 Attribution Share (Continued)

### D Example 1

IMA Farmer General Partnership has applied for 2010 DCP payments.

- Permitted entity rules are not applicable to 2010 DCP payments.
- Member 3 does not meet AGI provisions.
- All members meet foreign person provisions.
- All members meet member contribution provisions.
- All members meet substantive change provisions.
- Member 6 is a 3rd level member that is not an individual.

The attribution shares are determined as follows.




In this example, each ineligible member's attribution share is set to 0 percent. The shares are then accumulated from the lowest member level up to the payment entity.

IMA Farmer is only eligible to receive 54.25 percent of the calculated payment before payment limitation is applied to the members of the joint operation.

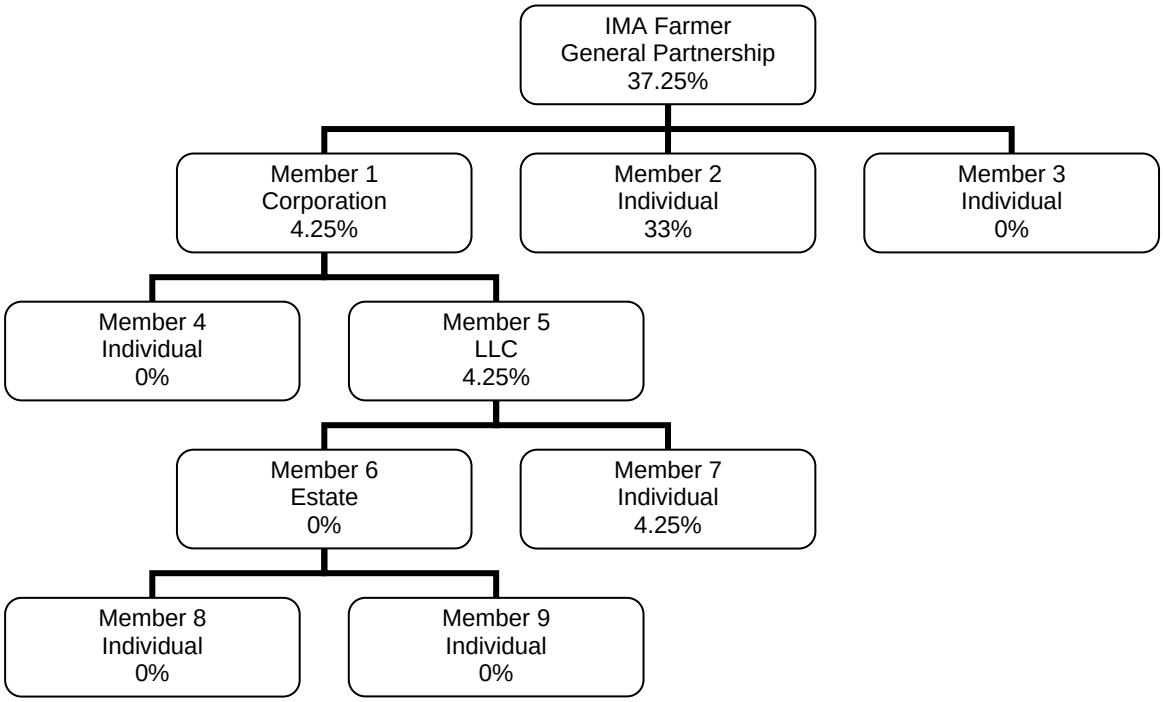
## 28 Attribution Share (Continued)

### E Example 2

IMA Farmer General Partnership has applied for 2010 DCP payments.

- Permitted entity rules are not applicable to 2010 DCP payments.
- Member 3 does not meet AGI provisions.
- All members meet foreign person provisions.
- Member 4 does not meet member contribution provisions.
- All members meet substantive change provisions.
- Member 6 is a 3rd level member that is not an individual.

The attribution shares are determined as follows.




In this example, each ineligible member's attribution share is set to 0 percent. The shares are then accumulated from the lowest member level up to the payment entity.

IMA Farmer is only eligible to receive 37.25 percent of the calculated payment before payment limitation is applied to the members of the joint operation.

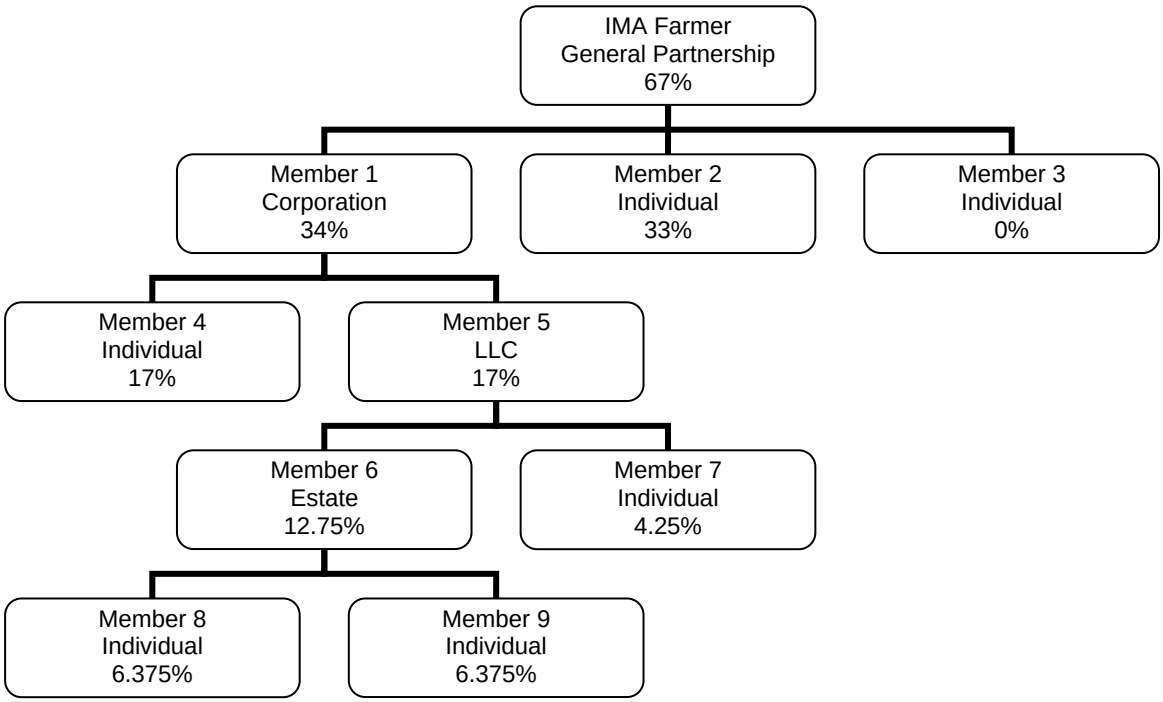
## 28 Attribution Share (Continued)

### F Example 3

IMA Farmer General Partnership has applied for a 2008 SURE payment.

- Permitted entity rules are not applicable to 2008 SURE payments.
- Member 3 does not meet AGI provisions.
- Foreign person provisions are not applicable to 2008 SURE payments.
- Member contribution provisions are not applicable to 2008 SURE payments.
- All members meet substantive change provisions.
- Member 6 is a 3rd level member that is not an individual.
- Three member level rule does not apply to programs administered under "person" provisions, and therefore, is not applicable to 2008 SURE payments.

The attribution shares are determined as follows.




In this example, each ineligible member's attribution share is set to 0 percent. The shares are then accumulated from the lowest member level up to the payment entity.

IMA Farmer is eligible to receive 67 percent of the calculated payment before payment limitation is applied to the members of the joint operation.

## 29 Controlling Payment Limitation

### A Introduction

Under direct attribution provisions, payment limitation must be controlled at all levels of the organizational structure for the payment entity and all members.

### B Applicability to Joint Operations

Payment limitation is not applicable to joint operations. Payment limitation is controlled for the members of the joint operation.

### C Applicability to Entities

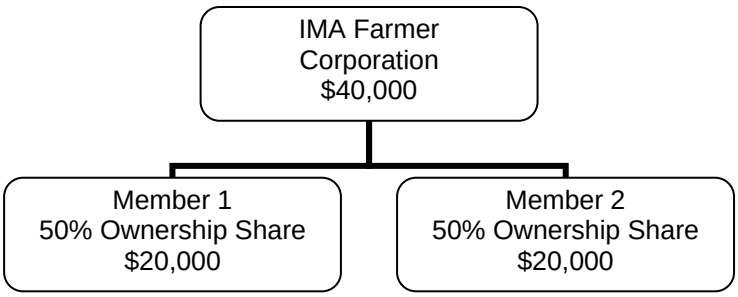
Payment limitation is applicable to:

- the payment entity
- each member of the entity down to the lowest applicable member level.

Once the payment eligibility process has been completed, the system will determine the payment amount that can be issued because of payment limitation. Payment limitation is controlled through a bottom-up approach whereby the payment limitation rules are applied from the member levels up to the payment entity level.

**Exception:** If the calculated payment exceeds the applicable program payment limitation, an initial reduction will be applied at the payment entity level before amounts are attributed to the members of the entity.

**Example:** IMA Farmer is a corporation earning a $60,000 DCP-Direct payment. There are 2 members, each with a 50 percent ownership interest. Assuming all eligibility requirements are met, the payment will be attributed to the members as follows.




An initial payment limitation reduction of $20,000 will be applied to IMA Farmer Corporation because the program payment limitation for DCP-Direct is $40,000.

See paragraph 15 for additional information on payment limitation.

## 30-34 (Reserved)

# Part 4 Common Payment Process

## 35 Overview

### A Background

As part of the modernization efforts of FSA to move applications to the web-based environment, and to implement the statutory mandate of direct attribution provisions, a common payment system has been developed for all FSA programs to use for issuing program benefits and payments to participating producers.

The concept of the common payment system is to apply a standardized process that runs in the same manner each time a payment is processed, but designed with enough flexibility to apply the specific program rules applicable to a program.

### B Using the Common Payment System

The common payment process was deployed initially to accommodate issuing 2009 DCP-direct, 2009 ACRE-direct final payments, and 2009 CRP annual rental payments.

The following programs are currently using, or will be when deployed, the Common Payment System:

- ACRE
- BCAP
- CRP
- DCP
- ECP
- EFRP
- ELAP
- GRP
- LFP
- LIP
- SURE
- TAP.

As additional payment applications are moved to the web-based environment, it is anticipated they will be developed to use the common payment process.

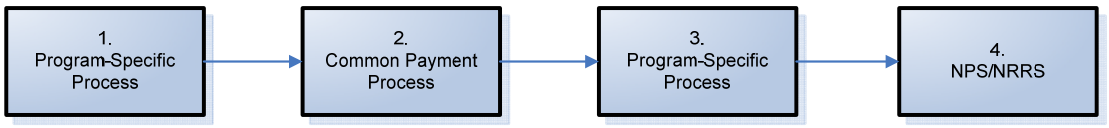
The remainder of this part describes the common payment process in greater detail.

# 36 Common Payment Process Concept

## A High-Level Description of the Payment Process

In the past, each payment system was developed independently and built to apply the specific rules applicable to the program. Where possible, some of the same functionality was re-used, but each system was generally a stand-alone system.

Each program is still required to handle rules applicable to the program, but the common payment process now standardizes many of the processes required for processing a payment. The following is a high-level overview of the payment system.




The following is a general description of what actions are performed in each of the major processes.

| Step | System | Action |
|---|---|---|
| 1 | Program-Specific Process | • Calculates the payment based on the rules for the specific program.<br>• Determines when the payment is triggered for processing.<br>• Determines which payment eligibility rules are applicable to the program.<br>• Sends data into the common payment process. |
| 2 | Common Payment Process | • Attributes amounts to members of entities and joint operations.<br>• Reduces the attribution amount if the payment entity or members, as applicable, does not meet the payment eligibility rules for the program.<br>• Controls payment limitation.<br>• Sends the eligible payment or overpayment amount back to the program-specific system for further processing. |
| 3 | Program-Specific Process | • Handles any final actions required by the program.<br>**Example:** DCP processes payment amounts by farm, producer, and crop. However, only one amount is sent to NPS by farm and crop. The program-specific process accumulates the payment amount to the farm level, by producer, before transferring the payment data to NPS.<br>• Sends payable to NPS/NRRS, as applicable. |
| 4 | NPS/NRRS | Facilitates the disbursement of the payable or administration of receivables. |

## 36 Common Payment Process Concept (Continued)

### B Flexibility of Applying Program Rules

Many of the programs administered by FSA have different program rules. These include, but are not limited to, the following:

- "person" rules versus direct attribution rules
- AGI has 4 different income thresholds with at least one specifically targeted to certain types of payments, such as direct AGI only applies to DCP and ACRE direct payments
- payment eligibility. Most programs require the producer to meet AD-1026 and conservation compliance provisions, but "actively engaged in farming", cash rent tenant, delinquent debt, etc. are only applicable to certain programs.

The common payment process has been designed to accommodate all of the program rules that may be applicable to the program. The program-specific process determines which rules apply and sends that data into the common payment process.

**Example:** CRP contracts approved before October 1, 2008, fall under "person" rules. An indicator is sent to the common payment process specifying "person" rules apply. Payment amounts are then attributed to members of entities and joint operations, however payment limitation is only controlled for the payment entity and members of joint operations following "person" rules.

Whereas, DCP-direct payments fall under direct attribution rules. Payment amounts are attributed to members of entities and joint operations, but payment limitation is controlled for the payment entity and all members, not just members of joint operations.

Regardless of the rules that apply to the program, the common payment process has the flexibility to handle the many different combinations of rules that apply to FSA programs.

## 37 Payment Triggers

### A Initiating the Payment Process

Each program may have different rules for initiating the payment process. These requirements may be based on statutory mandates or regulatory provisions outlining the administration of the program.

The "trigger" is something that causes the payment process to initiate. Once initiated, each payment triggered runs through the payment process to determine whether a payment is due the producer or if the producer is overpaid. The following are a list of possible triggers that may initiate the payment process.

| Trigger | Description |
|---|---|
| Approval of Contract or Application | For many programs, the producer is eligible to receive payment immediately upon approval of contract or application. |
| Date | Payments for many programs are not issued until a specific date is reached, such as:<br>• October 1 for CRP annual rental payments and DCP/ACRE-direct final payments<br>• 1st day of the month for a producer requesting a DCP/ACRE-direct advance payment. |
| Publication of Regulations | In some cases, producers may have applied for the program and the contract or application is approved, but the payments cannot be issued until the regulations governing the program are published. |
| Announcement of Payment Rate | Payments such as DCP counter-cyclical cannot be issued until a payment rate is determined. |
| Update to a Supporting System | Updates to any of the systems used to support a payment will automatically retrigger the payment to process. These include, but are not limited to, the following:<br>• SCIMS<br>• Eligibility System<br>• Combined Producer System<br>• Payment Limitation System<br>• Joint Operation/Entity Files<br>• Compliance System, including acreage reporting data and reductions due to the planting of fruit and vegetables<br>• contract or application, including systems that could affect the contract/application such as Farm Records Management System<br>• other systems applicable to the program. |
| User Initiated | Users can initiate a payment in the following ways:<br>• some programs, such as CRP, may have an option to trigger the payment<br>• selection from the nonpayment report for programs that use common payment reports. See paragraph 66. |

## 37 Payment Triggers (Continued)

### B Caution Required for Updating System Data

As described in subparagraph A, the common payment process is a fully integrated system that uses data from many systems. A change in one system could cause improper payments to be issued or receivables to be established for all payments that have been issued to the producer.

County Offices shall be extra cautious when updating the system to ensure that the action being taken properly reflects the certifications and determinations that are on file in the County Office.

### C Forcing Payments to Process

Under no circumstance shall County Offices attempt to force a payment to process by manipulating data in the system. Examples include, but are not limited to, the following situations.

- Changing an eligibility certification or determination to a value of something other than what is applicable based on the documentation filed by the producer or the determination completed by COC.
- Entering or removing an approval date on a contract or application to trigger a payment.
- Deleting joint operation/entity file data to try to trigger a payment.

If changes are made properly in each of the supporting systems, the common payment process will function in the proper manner unless there is a problem that needs to be corrected in the software. If there are questions related to whether a payment or receivable has been issued properly:

- County Offices shall contact the State Office program specialist for the applicable program
- State Offices shall contact the National Office program specialist for the applicable program if additional guidance is needed after reviewing the situation.

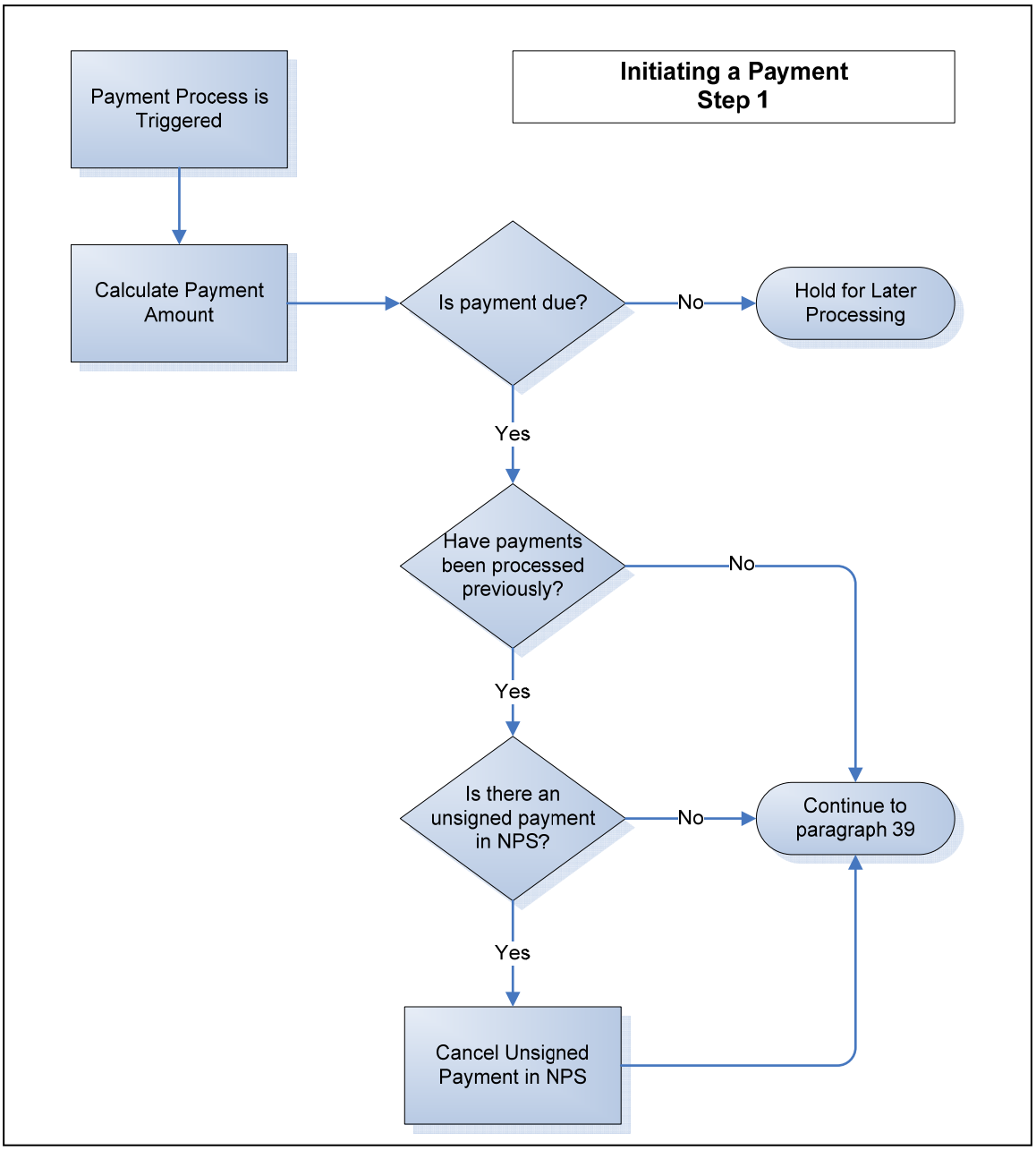
# 38 Initiating a Payment

## A Introduction

Once a payment is triggered, the payment is sent through the common payment process in the same manner each time a payment runs. This paragraph describes the initial steps of the common payment process.

## B Flow Chart

This flow chart describes the initial steps in the common payment process that occur regardless of whether the payment entity is an individual, joint operation, or entity.



## 38 Initiating a Payment (Continued)

### C Description of Each Process

This table provides additional information about each of the steps in the flowchart in subparagraph B.

| Flow Chart Step | Description |
|---|---|
| Payment Process is Triggered | The initial action that causes the payment process to be initiated. See paragraph 37 for additional information on payment triggers. |
| Calculate Payment Amount | Payment amount is calculated based on information recorded on the contract or application. This is an application/contract level payment amount before payment eligibility or payment limitation provisions are applied.<br><br>**Note:** See the handbook for the applicable program for additional information on how the application/contract payment amount is computed. |
| Is Payment Due | In some cases, the payment is due upon approval of the application or contract. However, in other cases, the payment may be delayed due to applicable program rules, such as:<br><br>• producer chooses the month in which to receive an advance DCP payment<br><br>• final payments are not payable until a specified date, such as October 1 for DCP-Direct, ACRE-Direct, and CRP annual rental payments.<br><br>**Note:** See the handbook for the applicable program for additional information on how the application/contract payment amount is computed and when the payment is due. |
| | **IF the payment is…** / **THEN…** |
| | due / the payment process continues to determine whether a payment was previously issued. |
| | not due / the payment is held in queue to be reprocessed at a later date.<br><br>**Example:** Advance DCP-Direct payments are processed on or about the 1st of every month beginning in December of the program year.<br><br>If the producer elects to receive an advance payment in March, the payment will be held in queue until March. When the first payments are processed for March, the payment will be sent to NPS assuming all other eligibility requirements have been met. |
| Have Payments Been Processed Previously | This step determines whether the payment was previously processed for the selected customer. If the payment was previously processed, then the reprocessing of the payment may result in an underpayment or overpayment situation. |
| | **If a payment was…** / **THEN the system…** |
| | previously processed / checks NPS to determine whether the payment previously processed is certified/signed. |
| | not previously processed / continues the payment process. See paragraph 39. |
| Is There an Unsigned Payment in NPS | When a payment is reprocessed, the system checks the status of the payment in NPS to determine whether it should be canceled. |
| | **IF the payment in NPS is…** / **THEN the…** |
| | • not certified or signed<br>• certified but not signed / • payment in NPS is assumed to be erroneous and is canceled<br>• system continues the payment process to determine the correct payment amount. See paragraph 39. |
| | certified and signed / • payment in NPS may have been erroneous but it is not canceled because it has been disbursed to the producer<br>• system continues the payment process to determine whether the producer was under or overpaid. See paragraph 39. |

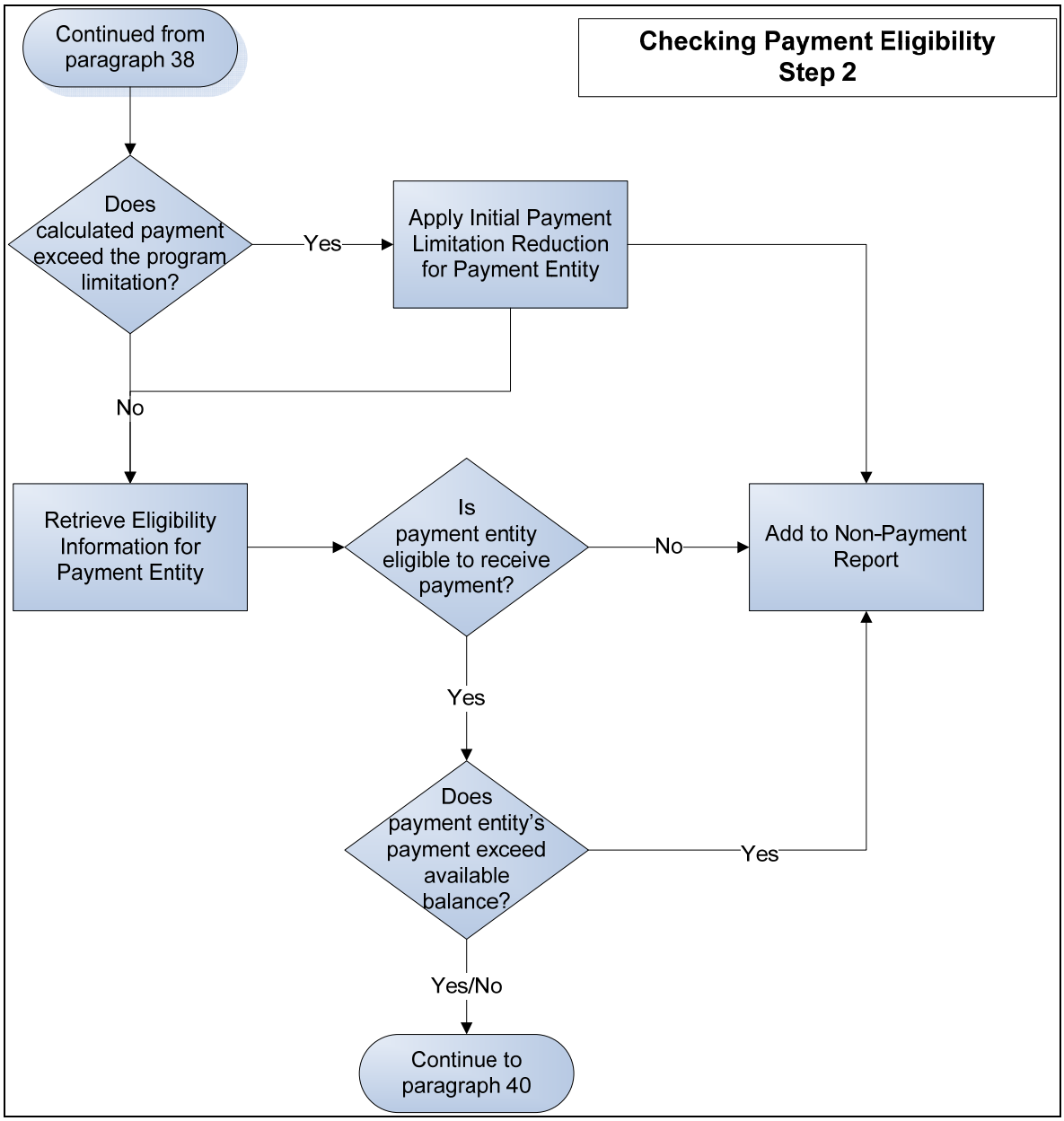
## 39 Checking Payment Eligibility

### A Introduction

The 2nd stage in the common payment process is to determine payment eligibility. The process differs between individuals and joint operations/entities because of the requirement to check eligibility for members of entities/joint operations. This paragraph identifies each of these processes separately.

### B Flow Chart for Individuals and Entities Without Members

This flow chart describes the steps for checking payment eligibility in the common payment process that occur for payment entities that are individuals or entities without members. See paragraph 13 for a description of entities without members.



## 39 Checking Payment Eligibility (Continued)

### C Description of Each Process for Individuals and Entities Without Members

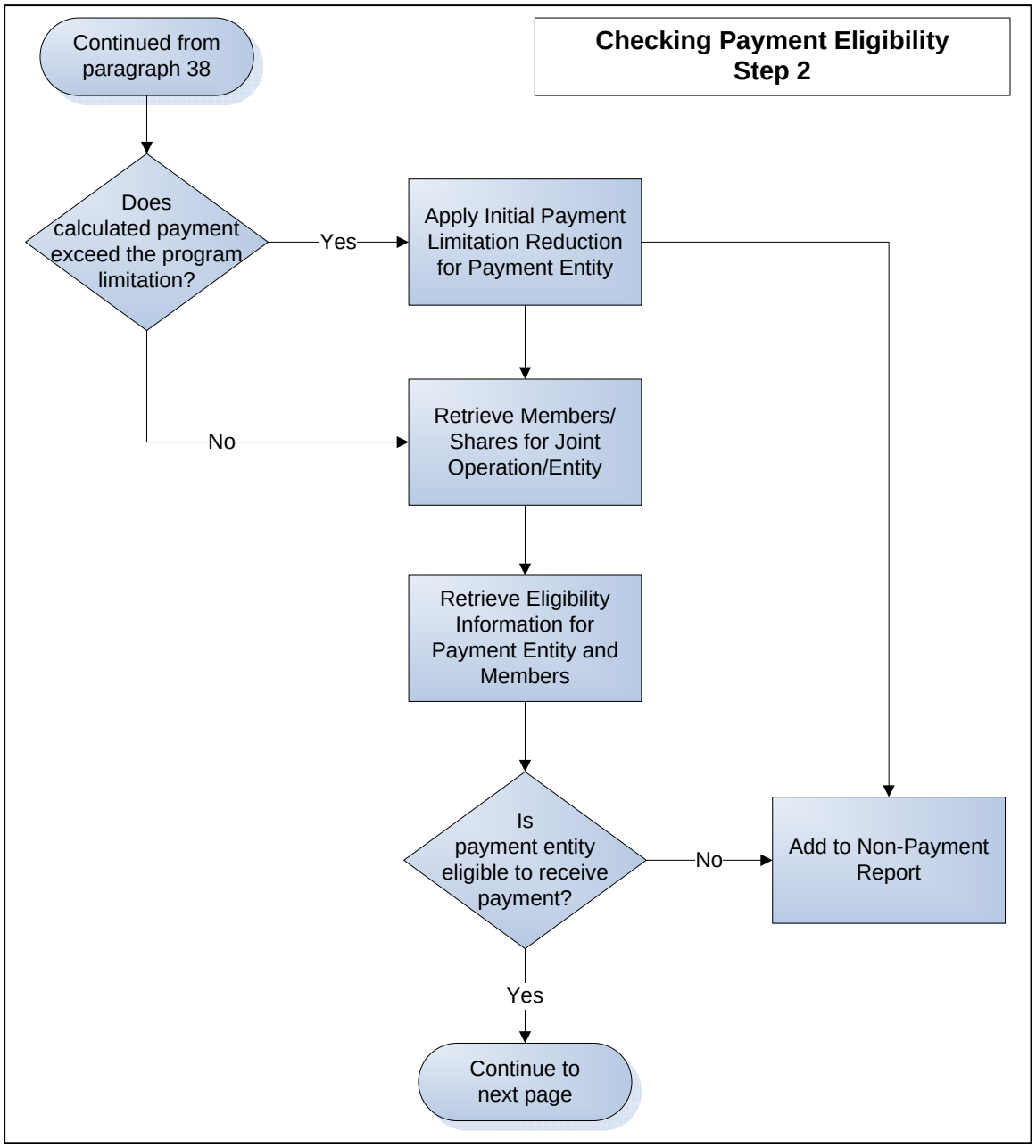
This table provides additional information about each of the steps in the flowchart in subparagraph B.

| Flow Chart Step | Description | |
|---|---|---|
| Does the calculated payment exceed the program limitation? | If the calculated payment exceeds the program limitation, then the payment is initially reduced down to the program limitation.<br><br>**Example:** DCP-Direct payment limitation is $40,000. If the calculated contract payment is $55,000, then an initial payment limitation reduction of $15,000 will be applied. | |
| | **IF the calculated contract/application payment…** | **THEN the system…** |
| | exceeds the applicable program limitation | • reduces the payment down to the program limitation<br>• information is recorded on the nonpayment reduction report<br>• continues the process to check payment eligibility for the remaining payment amount. |
| | does not exceed the program limitation | continues the process to check payment eligibility. |
| Retrieve Eligibility Information for the Payment Entity | Process determines which eligibility provisions apply to the applicable program and checks the eligibility determinations/certifications for the payment entity. | |
| | **IF the payment entity…** | **THEN the system…** |
| | fully meets the eligibility provisions applicable to the program | continues with the process of controlling payment limitation. |
| | partially meets the eligibility provisions applicable to the program | • continues with the process of controlling payment limitation<br>• information is recorded on the nonpayment reduction report for the ineligible condition. |
| | does not meet the eligibility provisions applicable to the program | terminates the process and the information is recorded on the nonpayment reduction report for the ineligible condition. |
| Does the payment entity's payment exceed the available balance? | This process controls payment limitation by comparing the available payment limitation balance against the calculated payment for the payment being processed. See paragraph 15 for information on the available payment limitation balance. | |
| | **If the payment being processed…** | **THEN the payment entity is eligible to receive the amount equal to…** |
| | exceeds the available payment limitation balance | available payment limitation.<br>• The amount that cannot be issued is listed on the nonpayment/reduction report.<br>• System continues the payment process to send the information to NPS/NRRS. See paragraph 40. |
| | does not exceed the available payment limitation | calculated payment. System continues the payment process to send the information to NPS/NRRS. See paragraph 40. |

## 39 Checking Payment Eligibility (Continued)

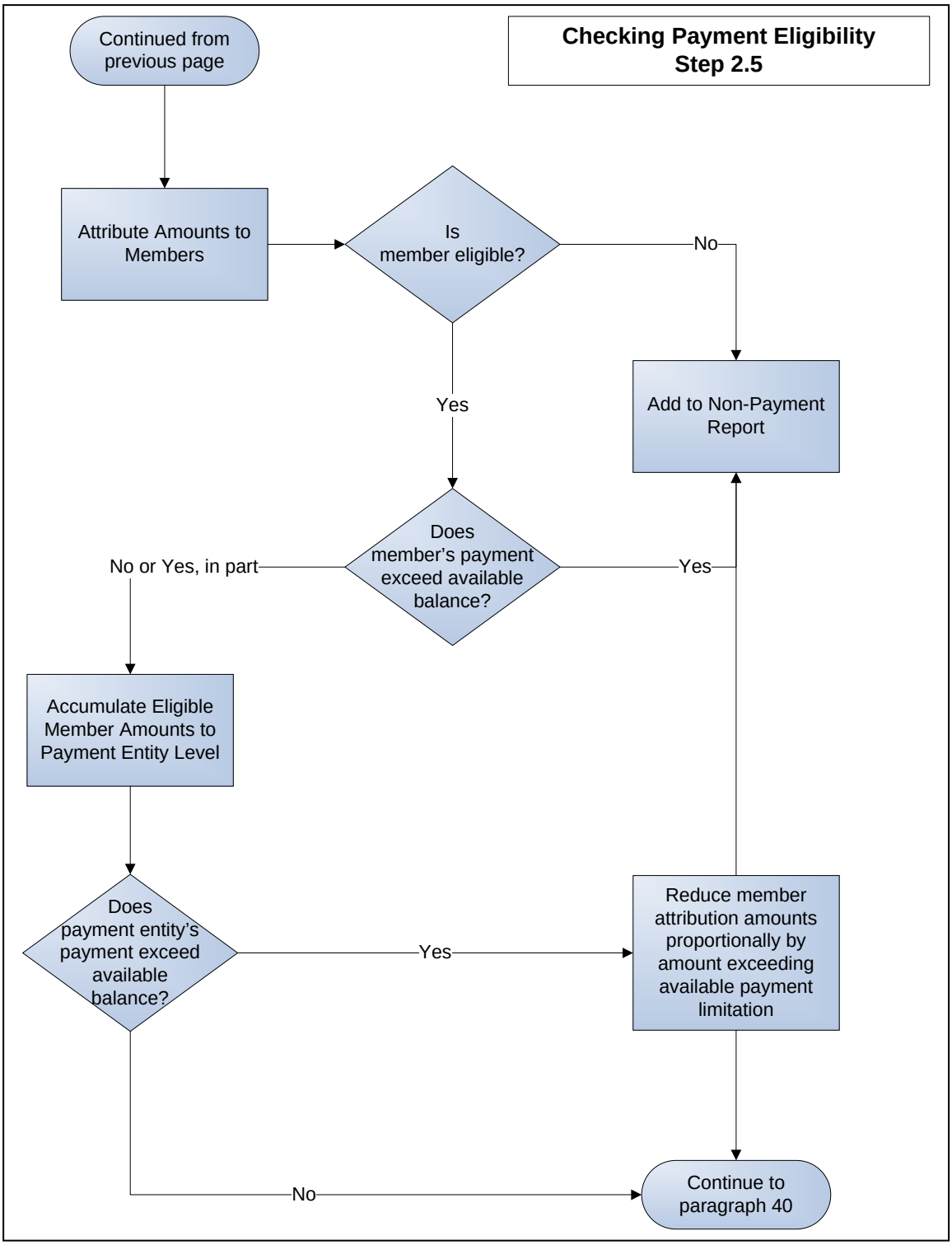
### D Flow Chart for Joint Operations and Entities With Members

This flow chart describes the steps for checking payment eligibility in the common payment process that occur for payment entities that are joint operations and entities with members.



## 39 Checking Payment Eligibility (Continued)

### D Flow Chart for Joint Operations and Entities With Members (Continued)



## 39 Checking Payment Eligibility (Continued)

### E Description of Each Process for Joint Operations and Entities With Members

This table provides additional information about each of the steps in the flowchart in subparagraph D.

| Flow Chart Step | Description | | |
|---|---|---|---|
| Does the calculated payment exceed the program limitation? | If the calculated payment exceeds the program limitation, then the payment is initially reduced down to the program limitation unless the payment entity is a joint operation.<br><br>**Example:** DCP-Direct payment limitation is $40,000. If the calculated contract payment is $55,000, then an initial payment limitation reduction of $15,000 will be applied. | | |
| | **IF the calculated contract or application payment…** | **AND the payment entity is…** | **THEN the system…** |
| | exceeds the applicable program limitation | an entity | • reduces the payment down to the program limitation<br>• information is recorded on the nonpayment reduction report<br>• continues the process to check payment eligibility for the remaining payment amount. |
| | | a joint operation | continues to the process to check payment eligibility. |
| | does not exceed the program limitation | either a joint operation or entity | continues to the process to check payment eligibility. |
| Retrieves Members and Shares for Joint Operation/Entity | System reads the joint operation/entity file to retrieve the members of the payment entity and the ownership shares. See paragraph 26 for additional information. | | |
| Retrieve Eligibility Information for the Payment Entity and Members | Process determines which eligibility provisions apply to the applicable program and checks the eligibility determinations/certifications for the payment entity. | | |
| | **IF the payment entity…** | **THEN the system…** | |
| | fully meets the eligibility provisions applicable to the program | continues with the process to check payment eligibility for the members of the joint operation/entity. | |
| | partially meets the eligibility provisions applicable to the program | • continues with the process to check payment eligibility for the members of the joint operation/entity<br>• information is recorded on the nonpayment reduction report for the payment entity for the ineligible condition. | |
| | does not meet the eligibility provisions applicable to the program | terminates the process and the information is recorded on the nonpayment reduction report for the ineligible condition. | |
| Attribute Amounts to Members | Amounts are attributed to members of the joint operation/entity based on the attribution share. See paragraph 28 for additional information related to the attribution share. | | |

## 39 Checking Payment Eligibility (Continued)

### E Description of Each Process for Joint Operations and Entities With Members (Continued)

| Flow Chart Step | Description | |
|---|---|---|
| Is the member eligible? | Process determines which eligibility provisions apply to the applicable program and checks the eligibility determinations/certifications for each member of the joint operation/entity. | |
| | **IF the member…** | **THEN the system…** |
| | fully meets the eligibility provisions applicable to the program | continues with the process of controlling payment limitation for the member. |
| | partially meets the eligibility provisions applicable to the program | • continues with the process of controlling payment limitation for the member<br>• information is recorded on the nonpayment reduction report for the member for the ineligible condition. |
| | does not meet the eligibility provisions applicable to the program | information is recorded on the nonpayment reduction report for the member for the ineligible condition. |
| Does the member's payment exceed the available balance? | This process controls payment limitation for each eligible member by comparing the available payment limitation balance against the amount of the payment attributed to the member. See paragraph 15 for information on the available payment limitation balance. | |
| | **If the payment attributed…** | **THEN the member's attributed amount is…** |
| | exceeds the available payment limitation balance | equal to the available payment limitation. The amount that cannot be issued is listed on the nonpayment/reduction report. |
| | does not exceed the available payment limitation | equal to the attributed payment. |
| Accumulate Eligible Member Amounts to Payment Entity Level | Eligible member amounts are accumulated to the payment entity level.<br><br>**Note**: If there are embedded entities in the operation, the amounts are first accumulated to the embedded entity, then the payment entity. Payment limitation is controlled at each level of the operation, as required by the applicable program. | |
| Does the payment entity's payment exceed the available balance? | This process controls payment limitation by comparing the available payment limitation balance against the accumulated payment for the payment entity. See paragraph 15 for information on the available payment limitation balance. | |
| | **If the accumulated payment…** | **THEN the payment entity is eligible to receive the amount equal to…** |
| | exceeds the available payment limitation balance for the payment entity | available payment limitation.<br><br>• The amount that cannot be issued is listed on the nonpayment/reduction report.<br>• The attribution amounts for the eligible members are further reduced by a prorated percentage based on their percentage of the accumulated payment.<br>• System continues the payment process to send the information to NPS/NRRS. See paragraph 40. |
| | does not exceed the available payment limitation | calculated payment. System continues the payment process to send the information to NPS/NRRS. See paragraph 40. |

# 40 Transferring Information to NPS or NRRS

## A Introduction

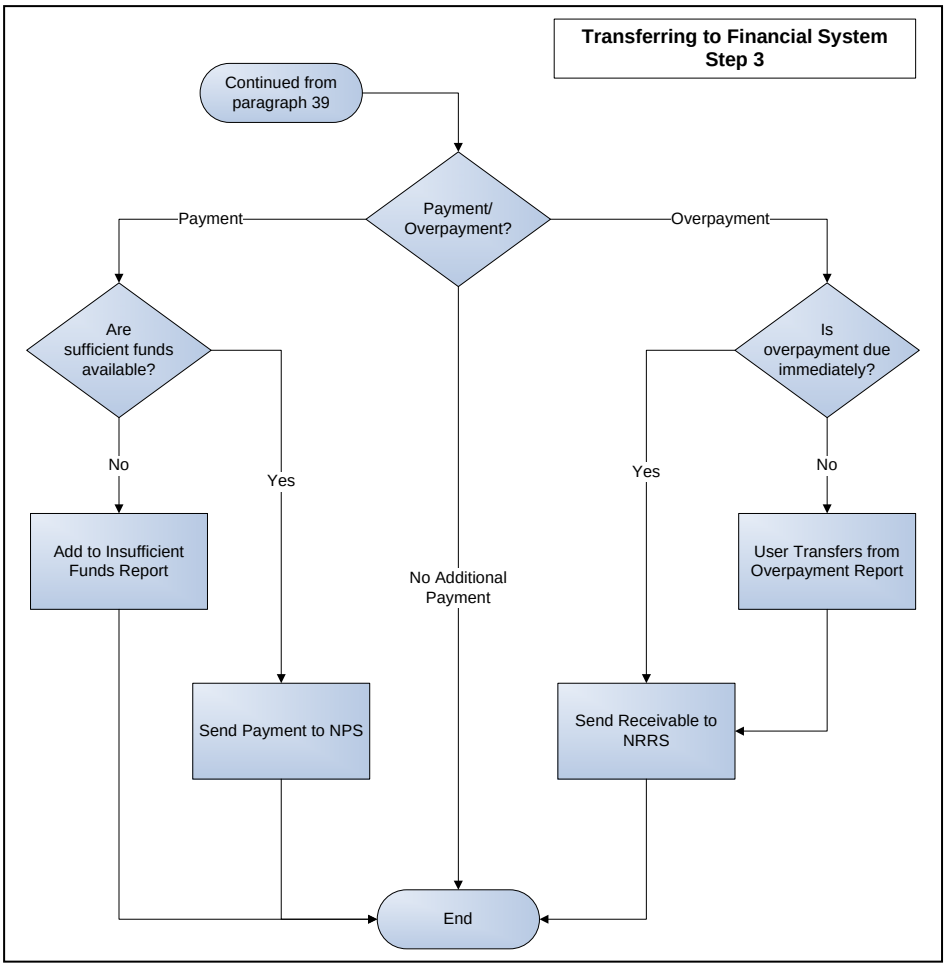
After the amount that can be paid to the payment entity has been determined, the result could be any of the following:

- payment due the payment entity
- overpayment based on a condition updated after a payment was issued
- no additional payment or overpayment if the condition that retriggered the payment to process did not affect the calculated payment.

The last stage in the payment process is to transfer information to the applicable financial system. This paragraph describes the steps for transferring information to NPS or NRRS.

## B Flow Chart

This flow chart describes the initial steps in the common payment process that occur regardless of whether the payment entity is an individual, joint operation, or entity.



## 40 Transferring Information to NPS or NRRS (Continued)

### C Description of Process for Transferring Information to NPS

This table provides additional information about each of the steps in the flowchart in subparagraph B when a payment is due the producer.

| Flow Chart Step | Description | |
|---|---|---|
| Payment/ Overpayment? | Once the attribution process has completed and payment limitation has been controlled, the system determines whether the current payment transaction has resulted in a payment due, an overpayment, or no additional payment/overpayment. | |
| | **If the amount determined is…** | **THEN…** |
| | greater than $0 | • amounts are accumulated to the farm, contract, or application level so 1 payment is payable to the payment entity if amounts are calculated by crop, such as DCP<br>• the producer is due a payment and the amount is sent to NPS |
| | negative | see subparagraph D. |
| | $0 | see subparagraph E. |
| Are sufficient funds available? | If the program is controlled through the e-funds process, the system checks to determine whether sufficient funds are available for the county to issue the payment. | |
| | **IF sufficient funds are…** | **THEN the payment…** |
| | available | is sent to NPS for certification and signature. |
| | not available | information is added to the insufficient funds report. See paragraph 67 for additional information. |

### D Description of Process for Transferring Information to NRRS

This table provides additional information about each of the steps in the flowchart in subparagraph B when an overpayment is computed for the producer.

| Flow Chart Step | Description | |
|---|---|---|
| Payment/ Overpayment? | Once the attribution process has completed and payment limitation has been controlled, the system determines whether the current payment transaction has resulted in a payment due, an overpayment, or no additional payment/overpayment. | |
| | **If the amount determined is…** | **THEN…** |
| | greater than $0 | see subparagraph C. |
| | negative | the payment entity is overpaid. |
| | $0 | see subparagraph E. |
| Is overpayment due immediately? | Some programs require the overpayment to be transferred to NRRS immediately but others, such as advance DCP-direct overpayments, are not due until a specified time. | |
| | **If the overpayment is due…** | **THEN…** |
| | immediately | the system will send the overpayment information to NRRS to start the debt notification and collection process. |
| | at a later date, such as October 1 for final DCP-direct overpayments | overpayment amount will be listed on the Pending Overpayment Report for verification by the County Office. If the overpayment is listed erroneously, County Offices shall take corrective action to resolve the situation that caused the overpayment.<br><br>See paragraph 65 for additional information. |

## 40 Transferring Information to NPS or NRRS (Continued)

### E Description of Process if Payment Data Has Not Changed

This table provides additional information about each of the steps in the flowchart in subparagraph B when:

- no payment was earned by the payment entity
- action that caused the payment to be reprocessed did not result in an additional payment or overpayment.

| Flow Chart Step | Description | |
|---|---|---|
| Payment/ Overpayment? | Once the attribution process has completed and payment limitation has been controlled, the system determines whether the current payment transaction has resulted in a payment due, an overpayment, or no additional payment/overpayment. | |
| | **If the amount determined is…** | **THEN…** |
| | greater than $0 | see subparagraph C. |
| | negative | see subparagraph D. |
| | $0 | the process terminates without sending information to NPS or NRRS. |

## 41-50 (Reserved)

# Part 5 Common Reports System

## Section 1 Basic System Information

### 51 Overview

#### A Concept of Common Report System

The Common Reports System provides a central location for reports for program payments processed through the common payment system.

Historically, FSA payment systems have functioned somewhat independently because different rules apply to different programs. As a result, there was not always consistency in how reports were developed to assist users. The concept of the Common Reports System is to provide users with a standardized set of reports that can be used to assist with payment reconciliation issues. The benefits of the Common Reports System include:

- reports generated through this process have the same format regardless of the program for which the report is generated
- once the user uses the reports for one program, they gain a knowledge of how to reconcile payment issues for other programs
- when a new program is implemented, software development effort is not needed to generate reports.

#### B Programs Using the Common Reports System

Initially the following programs will be deployed with the capability to use the Common Report System.

| Program | Scheduled to Use Common Payment System |
|---|---|
| ACRE | October 2010 |
| DCP | |
| ELAP | When Payment System Is Deployed |
| LFP | |
| LIP | June 2010 |
| SURE | |
| TAP | |

**Note:** It is anticipated that other web-based payment systems will use the Common Report System, however specific information on those programs is not available. This table will be updated as new programs are added to the process.

## 51 Overview (Continued)

### C Common Payment Reports

The reports developed through the Common Payment Reporting System are broken down into 2 categories depending on whether data for the report is available in “real time” or delayed.

The following reports include “real time” data:

- Estimated Calculated Payment Report, if applicable to the program
- Submitted Payments Report
- Submitted Overpayments Report
- Pending Overpayments Report
- Insufficient Funds Report
- Payment Computed to Zero Report.

The following reports include data from a reporting database that is updated within 24 hours:

- Nonpayment/Reduction Report
- Payment History Report – Summary Level
- Payment History Report – Detail Level.

**Note:** The reporting database is scheduled to update daily at 4 a.m. c.t. However, the last update date is listed on the Common Reports Menu for user information.

The reports will be released in phases as development is completed. Each report is described in further detail in the remainder of this section.

## 52 Access to Common Payment Reports System

### A Accessing the Common Payment Reports System

To access the Common Payment Reports system, go to FSA's Applications Intranet web site at **http://intranet.fsa.usda.gov/fsa/FSAIntranet_applications.html**. Under "Common Applications", CLICK "**Common Payment Reports System**".

**Notes:** Internet Explorer shall be used when accessing the Common Payment Reports System. Users will be prompted to login through the USDA eAuthentication Login Screen. On the USDA eAuthentication Login Screen, users **must**:

- enter eAuthentication user ID
- enter eAuthentication password
- CLICK "**Login**".

The home page for the Common Payment Reports will be displayed.

### B Authorized Access

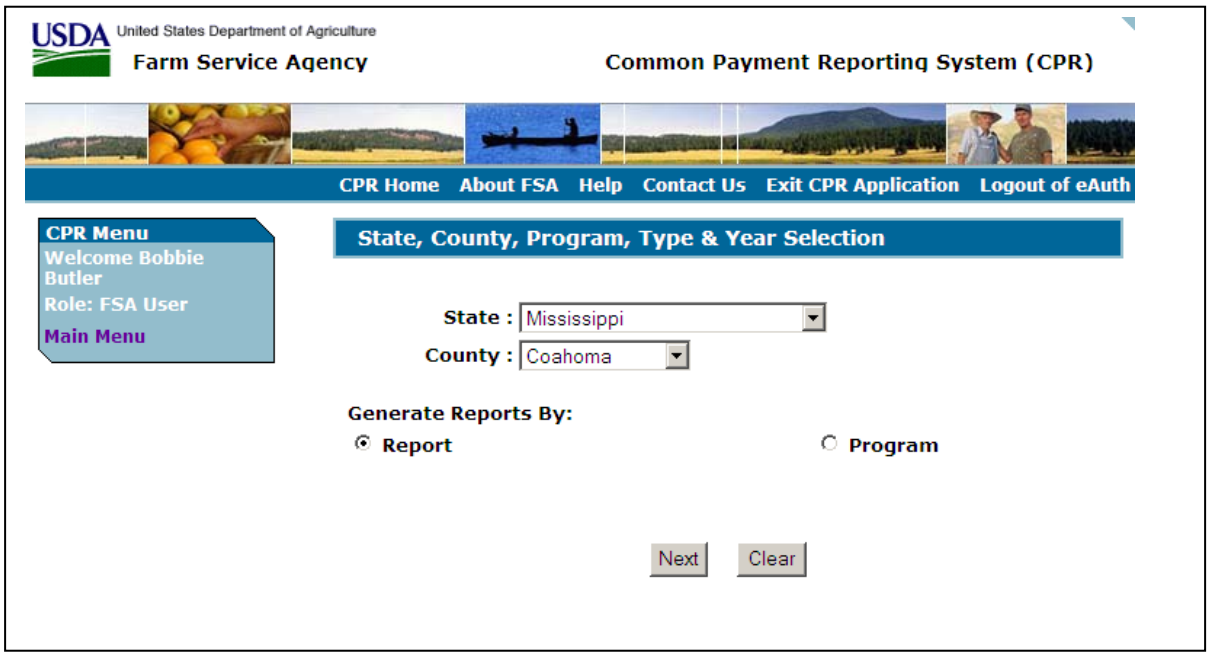
The Common Payment Reports System is for internal FSA use only and will not be made available to the public or other Agency users. This table describes the level of access that has been provided to FSA users.

| Type of User | Authorized Capabilities |
|---|---|
| County Office | • Read access to all reports for any producer nationwide.<br>• Ability to process payments from the Nonpayment/Reduction Report, if the user is associated with the county where the payment is administered.<br>• Ability to transfer overpayments to NRRS, if the user is associated with the county where overpayment occurred. |
| State Office | Read access to all reports for any producer nationwide. |
| National Office | |

# 53 Common Payment Reports Home Page

## A Example of Common Payment Reports Home Page

Following is an example of the Common Payment Reports Home Page.




## B Selecting State and County

After successfully entering user ID and password, the Common Payments Reports System Home Page is displayed. The State and county will be defaulted based on information applicable to the user's eAuthentication login ID.

This table describes how the "State" and "county" fields are defaulted.

| Field | User | Default |
|---|---|---|
| State | County Office | Name of the State associated with the user. |
| | State Office | |
| County | County Office | Name of the county the user is associated with. If the user is associated with more than one county, the system will default to the county with the lowest county code. |
| | State Office | Name of the first county in the State associated with the user. |

## 53 Common Payment Reports Home Page (Continued)

### C Initiating the Report Selection Process

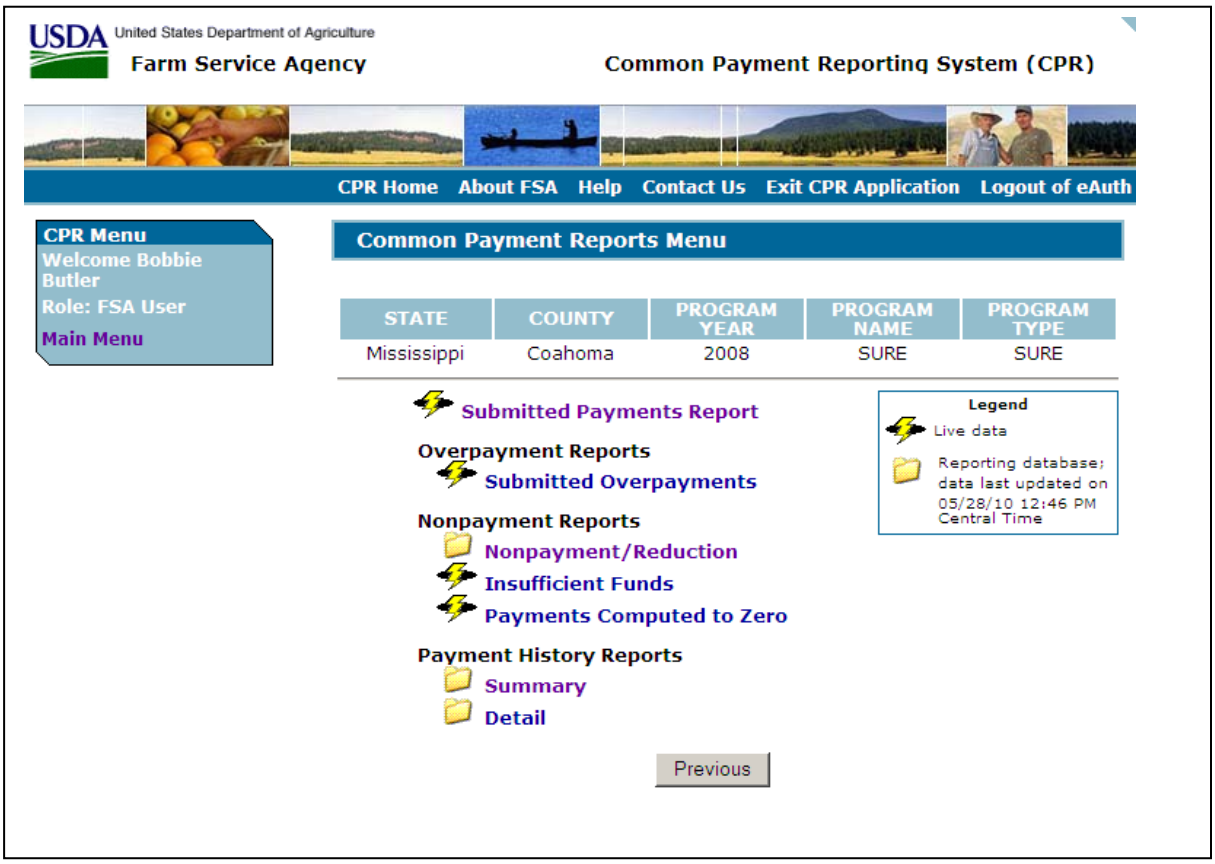
Follow instructions in this table to initiate the report selection process from the Common Payment Reports Home Page.

| Step | Action | | Result |
|---|---|---|---|
| 1 | If the defaulted State and county is not the county for the report to be generated, then select the State and county from the drop-down list. | | |
| 2 | There are 2 options to navigate to the reports selection screen based on the preference of the user. | | |
| | **IF the user wishes to access…** | **THEN select…** | |
| | the same report for multiple programs | "Report" and CLICK "Next". | Options will be displayed to select the applicable program. Go to step 3. |
| | all reports for an applicable program | "Program" and CLICK "Next". | The Common Payment Reports Menu will be displayed. |
| 3 | Using the drop-down menus provided, select the following and CLICK "Next":<br><br>• Program<br>• Program Year<br>• Program Type. | | The Common Payment Reports Menu will be displayed. |

# 54 Common Payment Reports Menu

## A Example of Common Payment Reports Menu

Following is an example of the Common Payment Reports Menu.




## B Page Information/Options

The following options are available on the Common Payment Reports Menu.

| Option | Action |
|---|---|
| State | Displays the State and county selected on the Common Payment Reports Home Page. |
| County | |
| Program Year | Displays the selected program year, program name, and program type, if the “program” option was selected on the Common Payment Reports Home Page. |
| Program Name | |
| Program Type | |
| Report | Allows the user to select the report to be generated. Click on the report name and the search criteria page will be displayed. See paragraph 55. |
| Previous | Returns to the Common Payment Reports System Home Page. |

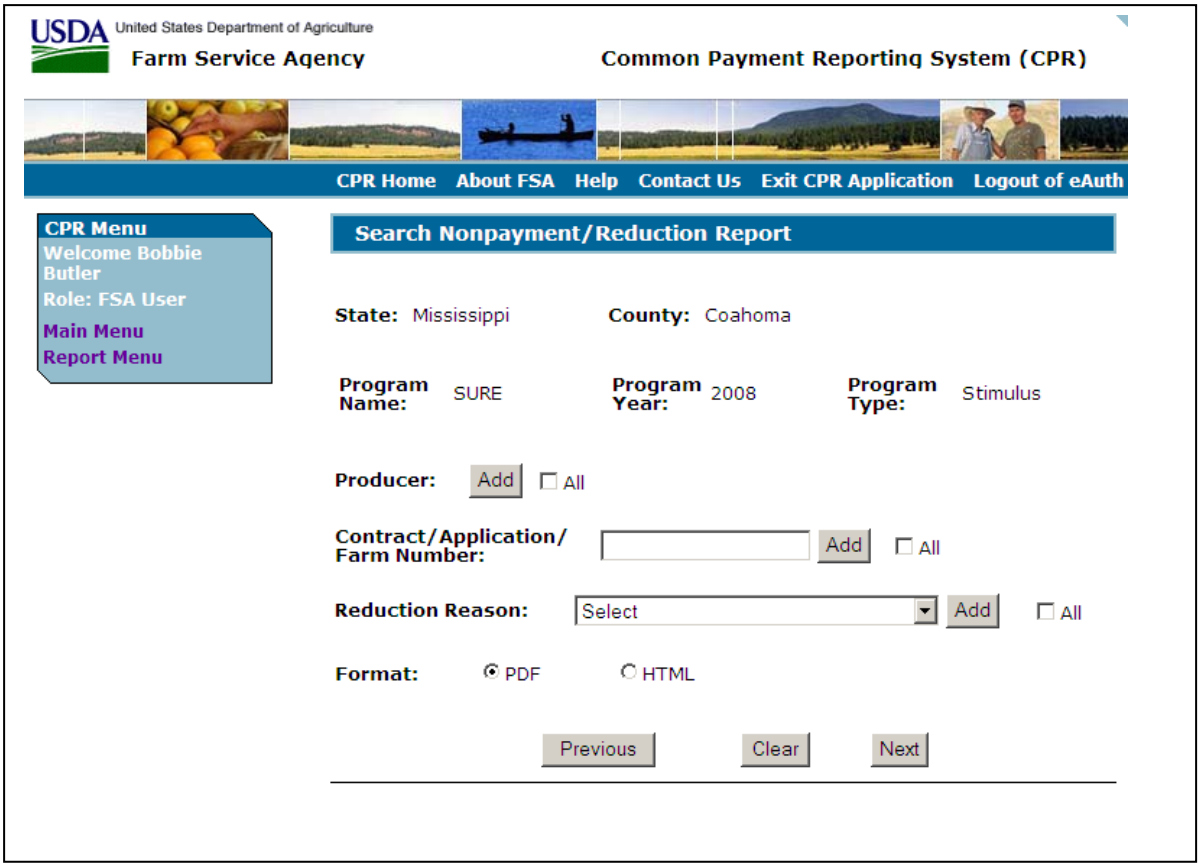
## 55 Search Criteria Selection Page

### A Example of Common Payment Reports Menu

The Search Criteria Page provides standardized options for generating report information; however, some search options are only available for certain reports.

**Example:** The option to generate a report based on the reason the payment was not issued is only applicable to the Nonpayment/Reduction Report.

The following is an example of the Search Criteria Page for the Nonpayment/Reduction Report. See subparagraph B for a list of all options that are available on this page for all reports.



## 55 Search Criteria Selection Page (Continued)

### B Page Information/Options

All reports are limited to the specific State, county, and program initially. The Search Criteria Page narrows down the information that will be displayed on a selected report.

**Notes:** Users are allowed to select multiple search criteria options, where applicable.

State level reports are not available through this process.

The following options are available on the Search Criteria Page.

<table>
<tr><th>Type of Search</th><th>Description</th></tr>
<tr><td>Date Range</td><td>Allows the user to specify a beginning and ending date for the selected report. If the user selects this option, then:<br><br>• a beginning date must be entered<br>• an ending date is not required.<br><br>Note: If no ending date is entered, then the ending date is the current date.<br><br>If this option is selected, then only the records that fall within the specified date range are displayed/printed on the applicable report.<br><br>Note: This search criteria option is not applicable for:<br><br>• Estimated Calculated Payment Report<br>• Pending Overpayment Report<br>• Payment Computed to Zero Report<br>• Nonpayment/Reduction Report<br>• Insufficient Funds Report.</td></tr>
<tr><td>Producer</td><td>Allows the user to generate a report for:<br><br>• one or more producers by selecting the “Add” option<br>• all producers by selecting an “All” option.
<table>
<tr><th>IF the user chooses to…</th><th>Step</th><th>Action</th><th>Result</th></tr>
<tr><td rowspan="5">select one or more producers</td><td>1</td><td>CLICK “Add”</td><td>The SCIMS search page will be displayed.</td></tr>
<tr><td>2</td><td>Select the producer to search</td><td>The Search Criteria Page will be redisplayed with the selected producer.</td></tr>
<tr><td>3</td><td>Repeat steps 1 and 2 until all producers have been selected.</td><td></td></tr>
<tr><td>4</td><td>Select “PDF” or “HTML”.</td><td>The “PDF” option provides a report formatted for printing. The “HTML” version displays the information in a new window.</td></tr>
<tr><td>5</td><td>CLICK “Next”.</td><td>The results for the applicable report will be displayed in a new window.</td></tr>
</table></td></tr>
</table>

## 55 Search Criteria Selection Page (Continued)

### B Page Information/Options (Continued)

| Type of Search | Description |
|---|---|
| Producer (Continued) | select "all" producers<br>**Warning:** Reports are currently designed to display only the first 1,000 results for the search criteria.<br>**Step** / **Action** / **Result**<br>1 / CHECK "All". / <br>2 / Select "PDF" or "HTML". / The "PDF" option provides a report formatted for printing. The "HTML" version displays the information in a new window.<br>3 / CLICK "Next". / The results for the applicable report will be displayed in a new window. |
| Contract/ Application/ Farm | If the program allows for a contract number, application number, or farm number that is associated with a payment, then this option allows the user to generate a report for:<br>• one or more contracts/applications/farms by selecting the "Add" option<br>• all contracts/applications/farms by selecting an "All" option. |

| IF the user chooses to… | Step | Action/Result |
|---|---|---|
| select one or more contracts/ applications/ farms | 1 | CLICK "Add". |
| | 2 | Enter the contract, application, or farm number |
| | 3 | Repeat steps 1 and 2 until all contracts, applications, or farm numbers have been selected. |
| | 4 | Select "PDF" or "HTML".<br><br>The "PDF" option provides a report formatted for printing. The "HTML" version displays the information in a new window. |
| | 5 | CLICK "Next". The results for the applicable report will be displayed in a new window. |
| select "all" contracts/ applications/ farms | **Warning:** Reports are currently designed to display only the first 1,000 results for the search criteria. | |
| | **Step** | **Action/Result** |
| | 1 | CHECK "All". |
| | 2 | Select "PDF" or "HTML".<br><br>The "PDF" option provides a report formatted for printing. The "HTML" version displays the information in a new window. |
| | 3 | CLICK "Next". The results for the applicable report will be displayed in a new window. |

| | |
|---|---|
| Nonpayment/ Reduction Reason | Allows the user to display/print all producers that have a specific reason that a payment was reduced for the selected program.<br><br>**Example:** User wants to print a report of all producers for SURE that do not meet AD-1026 provisions.<br><br>If this option is selected, then only the records that fall within the specified data range are displayed/printed on the applicable report.<br><br>**Note:** This search option is only applicable to the Nonpayment/Reduction Report. |

## 56-60 (Reserved)

## Section 2 Common Payment Reports

### 61 General Report Information

#### A Overview

This section provides detailed information about the reports provided through the Common Payment Report process.

Development of the reports is ongoing and all reports described in this section will not be available when the software is initially released. The following is the projected order for release of the reports.

| Phase | Reports Available |
|---|---|
| Initial | • Nonpayment/Reduction Report<br>• Payment History Report – Summary Level<br>• Estimated Calculated Payment Report |
| Subsequent | • Submitted Payment Report<br>• Submitted Overpayment Report<br>• Pending Overpayment Report<br>• Insufficient Funds Report<br>• Payment Computed to Zero Report |

#### B Report Header Information

Each report includes header information that is consistent for all reports. This tables describes the report header information.

| Field | Description |
|---|---|
| State | Full name for the State selected by the user. |
| County | Full name for the county selected by the user. |
| Program Year | Program year selected by the user. |
| Program Name | Full program name and program type selected by the user. |
| Report Name | The name of the report. |
| Date | Date the report is generated by the user. |
| Page Number | Page number for the report. |
| Date Range | If the user selected the search criteria by date range, the selected date range is displayed/printed. |

#### C Multiple IE Windows

Reports are opened in a new Internet Explorer window regardless of the “pdf” or “html” option is selected. Users shall close the window for an existing report before generating a new report.

## 62 Estimated Calculated Payment Report

### A Description of Report

Estimated calculated payment reports are program-specific and some programs do not have this report. Users can access the Estimated Calculated Payment Report through the Common Payment Reports System, but information about each report is not included in this handbook.

Refer to the applicable program handbook for a description of the information on the Estimated Calculated Payment Report.

## 63 Submitted Payments Report

### A Description of Report

The Submitted Payments Report provides a report of the transactions that have been sent to NPS based on the selected search criteria.

**Example:** User would like a report of all transactions sent to NPS on June 1, 2010. Users would specify June 1, 2010, as the beginning and ending dates then generate the report.

All payments sent to NPS for the selected State, county, and program will be listed on the report.

### B Availability of Data

The information displayed on the report includes "real time" data.

### C Information Provided on the Report

Since this report includes information submitted to NPS, this report only includes the payment entity name. Data attributed to members of joint operations and entities is not listed on the report.

The following information is provided on the submitted payment report.

<table>
<tr><th>Field</th><th colspan="2">Description</th></tr>
<tr><td>Date</td><td colspan="2">Date the payment transaction was processed and sent to NPS.</td></tr>
<tr><td rowspan="4">Producer Name</td><td colspan="2">Payment entity's name from SCIMS according to the following.</td></tr>
<tr><td>For</td><td>Name Displayed/Printed</td></tr>
<tr><td>Individuals</td><td>Last name, first name, middle name, and suffix</td></tr>
<tr><td>Businesses</td><td>Business name</td></tr>
<tr><td>Payment ID Number</td><td colspan="2">Unique number that ties the program history data to the NPS history data.</td></tr>
<tr><td>Business Type</td><td colspan="2">Numeric business type for the selected customer.</td></tr>
<tr><td>Contract/ Application/Farm</td><td colspan="2">Contract, application, or farm number that is associated with the payment transaction.<br><br>Note: If the selected program does not have a contract, application, or farm number, this field will be blank.</td></tr>
<tr><td>Payment Reduced</td><td colspan="2">Indicates whether any portion of the payment was reduced. The reduction could apply for the payment entity or a member if the payment entity is a joint operation or entity.<br><br>Note: Refer to the Nonpayment/Reduction Report to determine the reason the payment was reduced.</td></tr>
<tr><td>Amount Submitted</td><td colspan="2">Amount submitted to NPS for the payment entity.</td></tr>
</table>

## 63 Submitted Payments Report (Continued)

### D Sort Order

The information on the report is sorted as follows:

- transaction date
- producer name.

### E Example of Report

The following is an example of a Submitted Payments Report.

Coahoma
Mississippi

**United States Department of Agriculture**
**Farm Service Agency**

Date: 06/29/2010
Page: 1

**2008 Supplemental Agricultural Disaster Assistance - Stimulus**
**Submitted Payment Report**

| Date | Producer Name | Payment ID Number | Business Type | Contract/ Application/ Farm | Payment Reduced | Amount Submitted |
|---|---|---|---|---|---|---|
| 11/13/2009 | Farmer, Ima | 7532830 | 00 | | No | $ 26 |
| 11/13/2009 | General Partnership 1 | 7532832 | 02 | | Yes | $ 924 |
| 11/13/2009 | Producer, Ima | 7532834 | 00 | | No | $ 765 |

## 64 Submitted Overpayments Report

### A Description of Report

The Submitted Overpayments Report provides a report of the transactions that have been sent to NRRS based on the selected search criteria.

**Example:** User would like a report of all transactions sent to NRRS on June 1. Users specify June 1 as the beginning and ending dates then generate the report.

All overpayments sent to NRRS for the selected State, county, and program will be listed on the report.

### B Availability of Data

The information displayed on the report includes "real time" data.

### C Information Provided on the Report

Since this report includes information submitted to NRRS, this report only includes the payment entity name. Overpayments for members of joint operations and entities are not listed on the report.

The following information is provided on the submitted overpayment report.

| Field | Description | |
|---|---|---|
| Date | Date the overpayment transaction was processed and sent to NRRS. | |
| Producer Name | Payment entity's name from SCIMS according to the following. | |
| | **For** | **Name Displayed/Printed** |
| | Individuals | Last name, first name, middle name, and suffix |
| | Businesses | Business name |
| Payment ID Number | Unique number that ties the program history data to the NRRS history data. | |
| Business Type | Numeric business type for the selected customer. | |
| Contract/ Application/Farm | Contract, application, or farm number that is associated with the overpayment transaction.<br><br>**Note:** If the selected program does not have a contract, application, or farm number, this field will be blank. | |
| Debt Basis | 3-digit debt basis code sent to NRRS to represent the reason for the debt. See 67-FI for additional information. | |
| Payment Reduced | Indicates whether any portion of the payment was reduced. The reduction could apply for the payment entity or a member if the payment entity is a joint operation or entity.<br><br>**Note:** Refer to the Nonpayment/Reduction Report to determine the reason the payment was reduced. | |
| Amount Submitted | Amount submitted to NRRS for the payment entity. | |

## 64 Submitted Overpayments Report (Continued)

### D Sort Order

The information on the report is sorted as follows:

- transaction date
- producer name.

## 65 Pending Overpayments Report

### A Description of Report

The Pending Overpayment Report provides a report of the transactions that have been computed as overpayments. But unlike the Submitted Overpayments Report, the overpayments have not been sent to NRRS.

**Note:** This report is currently not applicable to any program except DCP-Direct and ACRE-Direct advance payments where overpayments do not have to be transferred immediately to NRRS. DCP/ACRE is projected to be accessible through the Common Payment Report process beginning in FY 2011.

### B Availability of Data

The information displayed on the report includes “real time” data.

## 65 Pending Overpayments Report (Continued)

### C Information Provided on the Report

Since this report includes information that may be submitted to NRRS, this report only includes the payment entity name. Overpayments for members of joint operations and entities are not listed on the report.

The following information is provided on the Pending Overpayment Report.

| Field | Description | |
|---|---|---|
| Date | Date the overpayment was computed. | |
| Producer Name | Payment entity's name from SCIMS according to the following. | |
| | **For** | **Name Displayed/Printed** |
| | Individuals | Last name, first name, middle name, and suffix. |
| | Businesses | Business name. |
| Business Type | Numeric business type for the selected customer. | |
| Contract/ Application/Farm | Contract, application, or farm number that is associated with the overpayment transaction.<br><br>**Note:** If the selected program does not have a contract, application, or farm number, this field will be blank. | |
| Debt Basis | 3-digit debt basis code sent to NRRS to represent the reason for the debt. See 67-FI for additional information. | |
| Payment Reduced | Indicates whether any portion of the payment was reduced. The reduction could apply for the payment entity or a member if the payment entity is a joint operation or entity.<br><br>**Note:** Refer to the Nonpayment/Reduction Report to determine the reason the payment was reduced. | |
| Amount Submitted | Computed overpayment amount for the payment entity. | |

### D Sort Order

The information on the report is sorted as follows:

- transaction date
- producer name.

## 66 Nonpayment/Reduction Report

### A Description of Report

The Nonpayment/Reduction Report provides users with the reason a payment was not issued, in full or in part. This report is essentially a snapshot of the data that was used to process the payment/overpayment which can be used by State or County Office users to:

- verify the payments were processed correctly
- take corrective action if a payment was reduced improperly based on incorrect data recorded in the system.

### B Availability of Data

The information displayed on the report **is not** "real time" data. Refer to the legend on the Common Payment Reports Menu to determine the date and time the data was last updated.

### C Information Provided on the Report

This report includes information for nonpayment conditions, for the payment entity and/or any ineligible member that prevented the full contract/application-level payment from being sent to NPS.

The following information is provided on the Nonpayment/Reduction Report.

<table>
<tr><th>Field</th><th colspan="3">Description</th></tr>
<tr><td rowspan="4">Payment Entity/Member Name</td><td colspan="3">The name of the payment entity or member whose attributed amount was reduced. If the payment entity is a joint operation or entity with members, then the payment entity is listed first, even if there was not an actual reduction applicable to the payment entity. The ineligible members are listed directly below the payment entity.<br><br>The name printed is based on the following from SCIMS:<br><br>• for individuals, last name, first name, middle name, and suffix<br>• for businesses, business name.</td></tr>
<tr><td>IF the payment entity is an…</td><td>AND a reduction is applicable to…</td><td>THEN the following is printed on the report.</td></tr>
<tr><td>• individual<br><br>• entity without members</td><td></td><td>The individual/entity's name is listed. The reason(s) for the reduction is printed directly below the individual/entity's name.</td></tr>
</table>

## 66 Nonpayment/Reduction Report (Continued)

### C Information Provided on the Report (Continued)

| Field | Description | | |
|---|---|---|---|
| Payment Entity/Member Name (Continued) | **IF the payment entity is…** | **AND a reduction is applicable to…** | **THEN the following is printed on the report.** |
| | • joint operation<br>• entity with members | • joint operation<br>• entity | The joint operation/entity's name is listed. The reason(s) for the reduction is printed directly below the joint operation/entity's name. |
| | | member | The member's name is listed directly below the joint operation/entity name. The reason for the reduction for the member is printed directly below the member's name. |
| Business Type | Numeric business type for the selected customer. | | |
| Contract/ Application/Farm | Contract, application, or farm number that is associated with the payment transaction.<br><br>**Note:** If the selected program does not have a contract, application, or farm number, this field will be blank. | | |
| Commodity | A commodity can be an agricultural crop, type of livestock, or other description as determined by a program. If payments are not calculated at a commodity level for the selected program, this field will be blank. | | |
| Reason | Reason for the reduction. See subparagraph E for information on the messages that are printed for each applicable reduction.<br><br>**Note:** Each reduction is listed on the nonpayment/reduction report if there is more than one reduction applicable for the payment entity or member. | | |
| Reduction Amount | Amount of the reduction for the payment entity or member, as applicable.<br><br>**Note:** Each reduction is listed on the nonpayment/reduction report if there is more than one reduction applicable for the payment entity or member. | | |
| Accumulated Amount | The accumulated amount of all reductions for the payment entity and each member if the payment entity is a joint operation or entity.<br><br>**Note:** This amount is only printed for the payment entity.<br><br>**Example:** IMA Farmer Corporation has 2 members. The corporation has a reduction of $10,000 because of an initial payment limitation reduction and one of the members has a $20,000 reduction because of an AGI reduction. The accumulated amount is $30,000. | | |

### D Sort Order

The information on the report is sorted as follows:

- transaction date
- producer name.

## 66 Nonpayment/Reduction Report (Continued)

### E Nonpayment/Reduction Messages

There are 2 types of reductions that may apply:

- general eligibility reductions which may apply to more than one program, such as AGI compliance
- program-specific reductions which apply only to a specific program, such as FAV acre-for-acre reductions apply only to DCP and ACRE.

The following table identifies the general eligibility messages that may be listed on the Nonpayment/Reduction Report and the corrective action that may be taken to resolve the error, if applicable.

**Notes:** See Exhibit 4 for additional information on which payment eligibility rules apply to various programs.

The following messages are listed in alphabetical order.

| Message on Nonpayment/Reduction Report | Description/Corrective Action |
|---|---|
| Calculated payment exceeds the applicable program payment limitation. | The application/contract-level payment amount exceeds the program payment limitation.<br>• Verify the application/contract data is recorded correctly.<br>• The Estimated Calculated Payment Report can be used to determine how the payment was computed if applicable to the program. |
| Entity or joint operation data is recorded on the permitted entity file, but the accumulated member shares do not equal 100% and the discrepancy exceeds 1%. | • County Offices shall refer the case to the State Office specialist responsible for subsidiary processes<br>• State Offices shall contact PECD for guidance. |
| Member data is not recorded in the entity file. | Producer or member data is not recorded in the joint operation or entity file or the data has not uploaded to the mainframe.<br>• Ensure that the joint operation or entity file data is recorded for the applicable year and at least 4 calendar days to 2 weeks have passed since the data was last updated.<br>• If the joint operation or entity is multi-county, ensure that the joint operation or entity file data is recorded in the county listed as the "Rc St & Cty" on MABDIG for the applicable year. |
| Member does not meet the substantive change provisions. | Verify the substantive change flag is updated properly in the joint operation file. |
| Member has not designated to receive payment through the payment entity. | Verify the permitted entity flag is updated properly in the joint operation/entity file. |
| Member is a 3rd level joint operation or entity. | Verify the member data has been recorded properly in the joint operation/entity file. |

## 66 Nonpayment/Reduction Report (Continued)

### E Nonpayment/Reduction Messages (Continued)

| Message on Nonpayment/Reduction Report | Description/Corrective Action |
|---|---|
| Member is not compliant with requirement to provide active personal labor or active personal management. | Verify the member contribution flag is updated properly in the entity file. |
| Producer or member does not have an active eligibility record. | Ensure that the producer or member is linked to the FSA County Office in SCIMS. If the producer/member is linked in SCIMS:<br>• County Offices shall refer the case to the State Office specialist responsible for subsidiary processes<br>• State Offices shall contact PECD for guidance. |
| Producer or member has a delinquent debt. | Check the subsidiary eligibility data to ensure that it is updated correctly based on the documentation filed by the producer and the determinations made by COC.<br><br>See 3-PL for additional information for updating eligibility data. |
| Producer or member has a fraud violation. | |
| Producer or member has a NAP non-compliance violation. | |
| Producer or member has reached the maximum payment under payment limitation provisions. | The accumulated payments for the producer or member equal the effective payment limitation. See paragraph 15 for additional information. |
| Producer or member is not compliant with “person” provisions. | Check the subsidiary eligibility data to ensure that it is updated correctly based on the documentation filed by the producer and the determinations made by COC.<br><br>See 3-PL for additional information for updating eligibility data. |
| Producer or member is not compliant with actively engaged in farming provisions. | |
| Producer or member is not compliant with AD-1026 certification provisions. | |
| Producer or member is not compliant with adjusted gross income provisions. | |
| Producer or member is not compliant with beginning farmer or rancher certification provisions. | |
| Producer or member is not compliant with conservation compliance provisions. | |
| Producer or member is not compliant with controlled substance provisions. | |
| Producer or member is not compliant with limited resource farmer or rancher certification provisions. | |
| Producer or member is not compliant with socially disadvantaged farmer or rancher certification provisions. | |
| Producer or member is not compliant with the FCI (FSA-570) certification provisions. | |
| Producer or member is not compliant with the foreign person eligibility provisions. | |
| Producer or member is not fully compliant with cash rent tenant provisions. | |
| Producer or member is not linked in SCIMS for the county where the entity file data is recorded. | Ensure that the producer or member is linked to the FSA County Office in SCIMS. |

## 66 Nonpayment/Reduction Report (Continued)

### E Nonpayment/Reduction Messages (Continued)

| Message on Nonpayment/Reduction Report | Description/Corrective Action |
|---|---|
| Producer or member's business type is not eligible for payment. | Review the information recorded in SCIMS and the joint operation/entity file, as applicable, to ensure that both of the following are correct:<br>• business type in SCIMS<br>• entity type on System/36. |
| Producer or member's entity type on the permitted entity file does not match the business type in SCIMS. | Follow 1-CM, paragraph 196 to correct System 36 data for the applicable years for the payment entity or member, as applicable. |
| Producer or member's tax ID number is not eligible for payment. | Verify that the producer or member has not provided a valid TIN. If a valid TIN has been provided, update SCIMS with the correct TIN. |

### F Nonpayment/Reduction Messages – Program-Specific

The following table identifies the program-specific messages that may be listed on the Nonpayment/Reduction Report and the corrective action that may be taken to resolve the error, if applicable.

| Message on Nonpayment/Reduction Report | Applicable Program(s) | Description/Corrective Action |
|---|---|---|
| Farm and/or producer has a DCP/ACRE maintenance violation. | • DCP<br>• ACRE | Verify that the maintenance violation information has been recorded properly. See 4-CP. |
| Farm and/or producer has an FAV planting violation. | • DCP<br>• ACRE | Verify that the FAV planting violation information has been recorded properly. See 4-CP. |
| Farm and/or producer has an FAV reporting violation. | • DCP<br>• ACRE | Verify that the FAV reporting violation information has been recorded properly. See 4-CP. |
| Farm does not meet the minimum requirement of more than 10 total base acres for all crops. | • DCP<br>• ACRE | Verify that contract properly reflects the base acreage associated with the farm. See 2-DCP and 3-CM. |
| Farm includes highly erodible land but a conservation plan is not being applied. | • DCP<br>• ACRE | Verify that the HEL information is recorded properly in the Farm Records System. See 3-CM. |
| Farm is not eligible because an acreage report for all cropland has not been completed. | • DCP<br>• ACRE | Verify that all cropland has been reported for the applicable farm. See 2-CP. |
| Payment reduced by amount received for the same loss. | • LIP<br>• LFP | Verify that the payment reduction has been recorded properly on the LIP or LFP application. |
| Payment reduced by other compensation received by a contract grower. | LIP | Verify that the payment reduction has been recorded properly on the LIP application. |
| Producer has refused payment. | • DCP<br>• ACRE | Producer is flagged on the DCP or ACRE contract as refusing payment. Verify that the information recorded in the DCP contract software is updated correctly. See 2-DCP. |
| Producer is not a United States citizen or a legal resident alien. | • ELAP<br>• LIP<br>• LFP<br>• SURE | Producer applying for payment is not a United States citizen or a legal resident alien. Verify that the citizenship and resident alien status is updated correctly in SCIMS. See 1-CM. |
| Producers associated with this contract/application/farm are not eligible due to a violation. | • DCP<br>• ACRE | DCP or ACRE contract is in violation of applicable program provisions. Verify that the contract data is updated properly. See 2-DCP. |

## 66 Nonpayment/Reduction Report (Continued)

### G Example of Report

The following is an example of a Nonpayment/Reduction Report.

Coahoma
Mississippi

United States Department of Agriculture
Farm Service Agency

Date: 06/29/2010
Page: 1

2008 Supplemental Agricultural Disaster Assistance - Stimulus
Nonpayment/Reduction Report

| Name | Business Type | Contract/ Application/ Farm | Commodity | Reduction Amount | Accumulated Amount |
|---|---|---|---|---|---|
| Farmer, Ima | 00 | | | | $ 35,268 |
| Producer or member's tax ID number is not eligible for payment. | | | | $ 35,268 | |
| General Partnership 1 | 02 | | | | $ 1,798 |
| Member 1 | 00 | | | | |
| Producer or member is not compliant with adjusted gross income provisions. | | | | $ 899 | |
| Member 2 | 00 | | | | |
| Producer or member is not compliant with adjusted gross income provisions. | | | | $ 899 | |

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## 67 Insufficient Funds Report

### A Description of Report

The Insufficient Funds Report provides a report of payments that could not be processed because sufficient funds are not available. There are 2 types of funds control processes.

- Some programs require funds to be obligated when the contract or application is approved for payment. Obligations are handled internally by the system and State and County Office users are not required to allocate funds in the Financial E-Funds system.

  **Examples:** DCP-Direct and ACRE-Direct are examples of programs that require funds to be obligated.

  TAP obligations must be allocated by State Office users once an application is approved.

- Other programs require funds to be allocated to the applicable State and county through the Financial E-Funds system before the payment can be sent to NPS.

  **Example:** DCP Counter-Cyclical and SURE are examples of programs that require funds to be allocated.

### B Availability of Data

The information displayed on the report includes “real time” data.

### C Information Provided on the Report

Since this report includes information that would be submitted to NPS if sufficient funds were available, this report only includes the payment entity name. Data attributed to members of joint operations and entities is not listed on the report.

## 67 Insufficient Funds Report (Continued)

### C Information Provided on the Report (Continued)

The following information is provided on the Insufficient Funds Report.

| Field | Description | |
|---|---|---|
| Date | Date the payment was calculated and was attempted to be sent to NPS. | |
| Producer Name | Payment entity's name from SCIMS according to the following. | |
| | **For** | **Name Displayed/Printed** |
| | Individuals | Last name, first name, middle name, and suffix |
| | Businesses | Business name |
| Business Type | Numeric business type for the applicable payment entity. | |
| Contract/ Application/Farm | Contract, application, or farm number that is associated with the payment transaction.<br><br>**Note:** If the selected program does not have a contract, application, or farm number, this field will be blank. | |
| Calculated Payment Amount | Amount of the payment that would have been sent to NPS if sufficient funds had been available. | |
| Total Insufficient Funds | The accumulated total for all producers listed on the insufficient funds report included in the selected search criteria. This total amount can be used by the National or State Office to determine the amount that should be allocated to the applicable County Office. | |

### D Sort Order

The information on the report is sorted by payment entity name.

## 68 Payment Computed to Zero Report

### A Description of Report

The Payment Computed to Zero Report provides a report of payments that will not be processed because the calculated program payment amount is $0 before any reductions or eligibility provisions are applied.

**Example:** IMA Farmer has 100% interest in 0.1 DCP oats base acres on FSN 1. Although the crop is enrolled, the calculated contract-level payment is less than 50 cents so the payment amount is $0.

**Note:** The Nonpayment/Reduction Report may also include payments computed to $0, but those are the result of a contract/application level payment that started out as greater than $0 but has been reduced to $0 due to an ineligibility condition of some kind.

### B Availability of Data

The information displayed on the report includes “real time” data.

### C Information Provided on the Report

Since this report includes contract/application level information and is never sent through the common payment process, this report only includes the payment entity name. Data attributed to members of joint operations and entities is not listed on the report.

The following information is provided on the Payment Computed to Zero Report.

| Field | Description | |
|---|---|---|
| Date | Date the payment was calculated and was determined to be $0. | |
| Producer Name | Payment entity’s name from SCIMS according to the following. | |
| | **For** | **Name Displayed/Printed** |
| | Individuals | Last name, first name, middle name, and suffix |
| | Businesses | Business name |
| Business Type | Numeric business type for the applicable payment entity. | |
| Contract/ Application/Farm | Contract, application, or farm number that is associated with the payment transaction.<br><br>**Note:** If the selected program does not have a contract, application, or farm number, this field will be blank. | |
| Commodity | A commodity can be an agricultural crop, type of livestock, or other description as determined by a program. If payments are not calculated at a commodity level for the selected program, this field will be blank. | |

## 68 Payment Computed to Zero Report (Continued)

### D Sort Order

The information on the report is sorted as follows:

- contract, application, or farm number, if applicable
- producer name.

## 69 Payment History Report – Summary Level

### A Description of Report

The Summary Payment History Report provides information pertinent to each payment/overpayment transaction processed based on the selected search criteria. This report is essentially a snapshot of the data that was used to process the payment/overpayment which can be used:

- for audit purposes
- by users to determine how a payment was computed
- for reviewing data to ensure that payments and overpayments are computed properly.

**Example:** A payment was issued to IMA Farmer General Partnership, however the user believes the payment was not issued in full. The payment history summary report will list the payment or reduction amount attributed to each member of the partnership.

If a portion of the payment was reduced, the user can then see who the reduction applied to and use the Nonpayment/Reduction Report to determine the reason for the reduction.

### B Availability of Data

The information displayed on the report is **not** "real time" data, but is updated every 24 hours. Refer to the legend on the Common Payment Reports Menu to determine the date and time the data was last updated.

### C Information Provided on the Report

This report includes transactional data that has been sent to NPS and NRRS for a payment entity or member, as selected by the user through the search criteria. The following information is provided on the summary level payment history report.

| Field | Description |
|---|---|
| Date | • Date the payment transaction was processed and sent to NPS.<br>• Date the overpayment was processed and sent to NRRS. |
| State/County | State and county code associated with the applicable transaction record. |

## 69 Payment History Report – Summary Level (Continued)

### C Information Provided on the Report (Continued)

<table>
<tr><th>Field</th><th>Description</th></tr>
<tr><td>Payment Entity/Member Name</td><td>This field specifies the payment entity or member that the line item is applicable for. The name printed is based on the following from SCIMS:<br><br>• for individuals, last name, first name, middle name, and suffix<br>• for businesses, business name.
<table>
<tr><th>IF the report is generated for…</th><th>AND the payment entity is an…</th><th>THEN …</th></tr>
<tr><td>the payment entity</td><td>• individual<br>• entity without members</td><td>the individual’s or entity’s name is listed on the first line of the transaction</td></tr>
<tr><td>the payment entity</td><td>• joint operation<br>• entity with members</td><td>• the joint operation or entity name is listed on the first line of the transaction<br><br>• each member in the operation is listed below the payment entity</td></tr>
<tr><td>a member</td><td></td><td>• the joint operation or entity name is listed on the first line of the transaction<br><br>• the selected member’s name is listed below the payment entity.</td></tr>
</table></td></tr>
<tr><td>Payment ID Number</td><td>Unique number that ties the program history data to the NPS history data.</td></tr>
<tr><td>Business Type</td><td>Numeric business type for the selected customer.</td></tr>
<tr><td>Contract/ Application/Farm</td><td>Contract, application, or farm number that is associated with the payment transaction.<br><br>Note: If the selected program does not have a contract, application, or farm number, this field will be blank.</td></tr>
<tr><td>Commodity</td><td>A commodity can be an agricultural crop, type of livestock, or other description as determined by a program. If payments are not calculated at a commodity level for the selected program, this field will be blank.</td></tr>
<tr><td>Transaction Type</td><td>One of the following transaction types will be displayed/printed:<br><br>• “Payment”, indicating the transaction was sent to NPS<br><br>• “Receivable”, indicating the transaction was sent to NRRS<br><br>• “Canceled payment”, indicating the payment was originally sent to NPS but was canceled before it was certified/signed.</td></tr>
<tr><td>Gross Payment</td><td>Amount of the payment initially attributed to the payment entity or member, as applicable.</td></tr>
<tr><td>Total Reduction Amount</td><td>Total reductions on file for the payment entity or member by transaction.
<table>
<tr><th>IF the transaction is for…</th><th>THEN the reduction includes the accumulated reductions for…</th></tr>
<tr><td>payment entity</td><td>• payment entity<br>• each member of the operation.</td></tr>
<tr><td>member</td><td>only the applicable member.</td></tr>
</table></td></tr>
<tr><td>Net Payment</td><td>Final attribution amount determined by the direct attribution common process for the payment entity or member as applicable. This is the amount sent to NPS for the payment entity.</td></tr>
</table>

## 69 Payment History Report – Summary Level (Continued)

### D Sort Order

The information on the report is sorted as follows:

- transaction date
- producer name.

### E Example of Report

The following is an example of a Summary Payment History Report.

Coahoma
Mississippi

**United States Department of Agriculture**
**Farm Service Agency**

Date: 06/29/2010
Page: 1

**2008 Supplemental Agricultural Disaster Assistance - Stimulus**
**Payment History Report - Summary Level**

Producer Name: **General Partnership 1**
Business Type: General Partnership

| Date | State/ County | Payment Entity / Member Name | Payment ID Number | Business Type | Contract/ Application/ Farm | Commodity | Transaction Type | Gross | Total Reduction | Net Payment |
|---|---|---|---|---|---|---|---|---|---|---|
| 11/13/2009 | 28/027 | General Partnership 1 | 7532832 | 02 | | | Payment | $ 924 | $ 0 | $ 924 |
| | | Member 1 | | 00 | | | | | $ 0 | $ 308 |
| | | Member 2 | | 00 | | | | | $ 0 | $ 308 |
| | | Member 3 | | 00 | | | | | $ 0 | $ 308 |

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## 70 Payment History Report – Detail Level

### A Description of Report

The detail payment history report is program-specific and some programs may not have this report. Users can access the Detail Payment History Report through the Common Payment Reports System, but information about each report is not included in this handbook.

Refer to the applicable program handbook for a description of the information on the Detail Payment History Report.

## Reports, Forms, Abbreviations, and Redelegations of Authority

### Reports

None

### Forms

This table lists all forms referenced in this handbook.

| Number | Title | Display Reference | Reference |
|---|---|---|---|
| AD-1026 | Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification | | 36, 55, 66, Ex. 5, 6 |
| CCC-901 | Members Information 2009 and Subsequent Years | | 26 |
| CCC-902E | Farm Operating Plan for an Entity 2009 and Subsequent Program Years | | 16, 26 |

### Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in Exhibit 102.

| Approved Abbreviation | Term | Reference |
|---|---|---|
| BCAP | Biomass Crop Assistance Program | 35 |
| EFRP | Emergency Forest Restoration Program | 35 |
| ELAP | Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program | 1, 15, 35, 51, 66, Ex. 4, 6 |
| NRRS | National Receipts and Receivables System | Text |
| SURE | Supplemental Revenue Assistance Payments Program | Text, Ex. 4, 6 |

### Redelegations of Authority

None

## Definitions of Terms Used in This Handbook

### Embedded Entity

An embedded entity is an entity that has an interest, directly or indirectly, as a stockholder, member, beneficiary, or heir, in another entity that is earning payments.

### Entity

An entity is a business with a SCIMS business type other than individual, general partnership, or joint venture.

### Entity Without Members

An entity without members is a legal entity but the members do not have an ownership interest. Member data is not required to be recorded in the entity file software on the S/36 for entities without members. These include the following SCIMS business types:

- revocable trust using a Social Security number
- church, charity, or non-profit organization
- public school
- Indians Represented by BIA
- Indian Tribal Venture
- limited liability company using a Social Security number.

### Joint Operation

A joint operation is a business with a SCIMS business type of general partnership or joint venture.

### Legal Entity

A legal entity is an entity that is created under Federal or State law that owns land or an agricultural commodity or produces an agricultural commodity. For FSA purposes, a legal entity includes joint operations and entities.

**Definitions of Terms Used in This Handbook (Continued)**

**Payment Entity**

A payment entity is a producer associated with an application or contract.

**Example:** IMA Farmer General Partnership is the producer associated with a DCP contract and is comprised of 4 members. IMA Famer General Partnership is the payment entity that will ultimately receive the DCP payment.

**Person**

A person is a natural person and does not include a legal entity.

**Note:** This definition applies to persons under 4-PL provisions and not "person" rules under 1-PL provisions.

**Menu and Screen Index**

The following menus and screens are displayed in this handbook.

| Menu or Screen | Title | Principal Reference |
|---|---|---|
| | Common Payment Reports Menu | 54 |
| | Search Nonpayment/Reduction Report | 55 |

**Payment Eligibility Overview**

## A Eligibility Certification/Determination Applicable to Specific Programs

As described in paragraph 13, the web-based eligibility system is read to determine payment eligibility. State and County Offices shall use the following exhibits indicating eligibility certifications/determinations applicable for a specific program and program year.

## B DCP/ACRE Payment Eligibility Certifications/Determinations

The following table lists the programs administered under DCP/ACRE with the payment eligibility exhibit reference for review.

| Program Name | Program Year | Exhibit 5 Subparagraph |
|---|---|---|
| DCP/ACRE Direct | 2009 and Future | A |
| DCP Counter-Cyclical | 2009 and Future | B |
| ACRE | 2009 and Future | C |

## C Disaster Assistance Program Eligibility Certifications/Determinations

The following table lists the programs administered under Disaster Assistance Program with the payment eligibility exhibit reference for review.

| Program Name | Program Year | Exhibit 6 Subparagraph |
|---|---|---|
| SURE | 2008 | A |
| | 2009 and Future | B |
| ELAP | 2008 | C |
| | 2009 and Future | D |
| LFP | 2008 | E |
| | 2009 and Future | F |
| LIP | 2008 | G |
| | 2009 and Future | H |
| TAP | 2008 | I |
| | 2009 and Future | J |

**DCP/ACRE Payment Eligibility Certifications/Determinations**

## A DCP/ACRE– Direct – 2009 and Future Years

The following payment eligibility provisions are applicable for DCP and ACRE direct payments for 2009 and future years.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| Actively Engaged | • Actively Engaged | • Not Filed<br>• Awaiting Determination<br>• Awaiting Revision<br>• Not Actively Engaged | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Adjusted Gross Income | | | | |
| Commodity | • Compliant-Producer<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |
| Direct | • Compliant-Producer<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |
| Foreign Person | • Yes<br>• Not Applicable | • No<br>• Pending | Yes | Yes |
| Member Contribution | • “Y”<br>• “P” | • “N”<br>• “blank” | No | Yes |
| Substantive Change | • “Y”<br>• “U” | • “N”<br>• “blank” | Yes | No |
| Three Member Level Rule | | | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do “person” or attribution rules apply to the program? | Attribution |
| Do cash rent tenant rules apply to the program? | Yes |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | Yes |

**DCP/ACRE Payment Eligibility Certifications/Determinations (Continued)**

## B DCP - Counter-Cyclical – 2009 and Future Years

The following payment eligibility provisions are applicable for DCP counter-cyclical payments for 2009 and future years.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| Actively Engaged | • Actively Engaged | • Not Filed<br>• Awaiting Determination<br>• Awaiting Revision<br>• Not Actively Engaged | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Adjusted Gross Income | | | | |
| Commodity | • Compliant-Producer<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |
| Foreign Person | • Yes<br>• Not Applicable | • No<br>• Pending | Yes | Yes |
| Member Contribution | • “Y”<br>• “P” | • “N”<br>• “blank” | No | Yes |
| Substantive Change | • “Y”<br>• “U” | • “N”<br>• “blank” | Yes | No |
| Three Member Level Rule | | | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do “person” or attribution rules apply to the program? | Attribution |
| Do cash rent tenant rules apply to the program? | Yes |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | Yes |

**DCP/ACRE Payment Eligibility Certifications/Determinations (Continued)**

## C ACRE – 2009 and Future Years

The following payment eligibility provisions are applicable for ACRE payments for 2009 and future years.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| Actively Engaged | • Actively Engaged | • Not Filed<br>• Awaiting Determination<br>• Awaiting Revision<br>• Not Actively Engaged | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Adjusted Gross Income | | | | |
| Commodity | • Compliant-Producer<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |
| Foreign Person | • Yes<br>• Not Applicable | • No<br>• Pending | Yes | Yes |
| Member Contribution | • “Y”<br>• “P” | • “N”<br>• “blank” | No | Yes |
| Substantive Change | • “Y”<br>• “U” | • “N”<br>• “blank” | Yes | No |
| Three Member Level Rule | | | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do “person” or attribution rules apply to the program? | Attribution |
| Do cash rent tenant rules apply to the program? | Yes |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | Yes |

**Disaster Assistance Program Payment Eligibility Certifications/Determinations**

## A SURE – 2008

The following payment eligibility provisions are applicable for SURE payments for 2008.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| NAP Non-Compliance | • Compliant | • Not Compliant - COC | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Person Eligibility – 2002 Farm Bill | • COC Determination Completed | • Not Filed<br>• Awaiting Determination<br>• Awaiting Revision | Yes | No |
| Adjusted Gross Income | • Compliant-CCC-526<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do “person” or attribution rules apply to the program? | Person |
| Do cash rent tenant rules apply to the program? | No |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | No |

**Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)**

## B SURE – 2009 and Future Years

The following payment eligibility provisions are applicable for SURE payments for 2009 and future years.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| NAP Non-Compliance | • Compliant | • Not Compliant - COC | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Adjusted Gross Income | | | | |
| Commodity | • Compliant-Producer<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |
| Substantive Change | • "Y"<br>• "U" | • "N"<br>• "blank" | Yes | No |
| Three Member Level Rule | | | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do "person" or attribution rules apply to the program? | Attribution |
| Do cash rent tenant rules apply to the program? | No |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | No |

**Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)**

## C ELAP – 2008

The following payment eligibility provisions are applicable for ELAP for 2008.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Person Eligibility – 2002 Farm Bill | • COC Determination Completed | • Not Filed<br>• Awaiting Determination<br>• Awaiting Revision | Yes | No |
| Adjusted Gross Income | • Compliant-CCC-526<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do “person” or attribution rules apply to the program? | Person |
| Do cash rent tenant rules apply to the program? | No |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | No |

**Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)**

## D ELAP – 2009 and Future Years

The following payment eligibility provisions are applicable for ELAP for 2009 and future years.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Adjusted Gross Income | | | | |
| Commodity | • Compliant-Producer<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |
| Substantive Change | • "Y"<br>• "U" | • "N"<br>• "blank" | Yes | No |
| Three Member Level Rule | | | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do "person" or attribution rules apply to the program? | Attribution |
| Do cash rent tenant rules apply to the program? | No |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | No |

**Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)**

## E LFP – 2008

The following payment eligibility provisions are applicable for LFP for 2008.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Person Eligibility – 2002 Farm Bill | • COC Determination Completed | • Not Filed<br>• Awaiting Determination<br>• Awaiting Revision | Yes | No |
| Adjusted Gross Income | • Compliant-CCC-526<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do “person” or attribution rules apply to the program? | Person |
| Do cash rent tenant rules apply to the program? | No |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | No |

**Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)**

## F LFP - 2009 and Future Years

The following payment eligibility provisions are applicable for LFP for 2009 and future years.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Adjusted Gross Income | | | | |
| Commodity | • Compliant-Producer<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |
| Substantive Change | • “Y”<br>• “U” | • “N”<br>• “blank” | Yes | No |
| Three Member Level Rule | | | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do “person” or attribution rules apply to the program? | Attribution |
| Do cash rent tenant rules apply to the program? | No |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | No |

**Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)**

## G LIP – 2008

The following payment eligibility provisions are applicable for LIP for 2008.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Person Eligibility – 2002 Farm Bill | • COC Determination Completed | • Not Filed<br>• Awaiting Determination<br>• Awaiting Revision | Yes | No |
| Adjusted Gross Income | • Compliant-CCC-526<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do “person” or attribution rules apply to the program? | Person |
| Do cash rent tenant rules apply to the program? | No |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | No |

**Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)**

## H LIP – 2009 and Future Years

The following payment eligibility provisions are applicable for LIP for 2009 and future years.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Adjusted Gross Income | | | | |
| Commodity | • Compliant-Producer<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |
| Substantive Change | • "Y"<br>• "U" | • "N"<br>• "blank" | Yes | No |
| Three Member Level Rule | | | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do "person" or attribution rules apply to the program? | Attribution |
| Do cash rent tenant rules apply to the program? | No |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | No |

**Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)**

## I TAP – 2008

The following payment eligibility provisions are applicable for TAP for 2008.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Person Eligibility – 2002 Farm Bill | • COC Determination Completed | • Not Filed<br>• Awaiting Determination<br>• Awaiting Revision | Yes | No |
| Adjusted Gross Income | • Compliant-CCC-526<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do “person” or attribution rules apply to the program? | Person |
| Do cash rent tenant rules apply to the program? | No |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | No |

**Disaster Assistance Program Payment Eligibility Certifications/Determinations (Continued)**

## J TAP – 2009 and Future Years

The following payment eligibility provisions are applicable for TAP for 2009 and future years.

| Certification/ Determination | Eligible Values | Not Eligible Values | Applicable to Members | |
|---|---|---|---|---|
| | | | Joint Operations | Entities |
| Fraud, including FCIC Fraud | • Compliant | • Not Compliant | Yes | No |
| Conservation Compliance - Farm/Tract Eligibility | • In Compliance<br>• Partial Compliance<br>• No Association<br>• Reinstated | • In Violation<br>• Partially Eligible<br>• Past Violation | Yes | No |
| Controlled Substance | • No Violation | • Growing<br>• Trafficking<br>• Possession | Yes | No |
| AD-1026 | • Certified<br>• Good Faith Determination<br>• COC Exemption | • Not Filed<br>• Awaiting Affiliate Certification<br>• Affiliate Violation | Yes | No |
| Adjusted Gross Income | | | | |
| Commodity | • Compliant-Producer<br>• Compliant – Agent<br>• Exempt | • Not Filed<br>• Not Met- COC<br>• Not Met - Producer | Yes | Yes |
| Substantive Change | • "Y"<br>• "U" | • "N"<br>• "blank" | Yes | No |
| Three Member Level Rule | | | Yes | Yes |

In addition, the following additional rules apply to this program.

| Rule | Applicability |
|---|---|
| Do "person" or attribution rules apply to the program? | Attribution |
| Do cash rent tenant rules apply to the program? | No |
| Are Federal entities eligible? | No |
| Are State and Local Governments eligible? | No |
| Are Public Schools eligible? | No |