

For: State Offices and Service Centers

FY 2009 Common CORP Findings and Clarifying CRP Procedure

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

CORP and the Improper Payments Information Act (IPIA) of 2002 require FSA to evaluate programs and to determine whether internal controls are sufficient to prevent issuing improper payments. These reviews enable FSA to have statistical data to discern the overall effectiveness of programs and determine whether adequate management controls are in place to conform with FSA and IPIA requirements.

The 2009 CORP reports of Service Centers indicate that many of the same error findings are being discovered year-after-year.

B Purpose

This notice:

- restates and clarifies policy and procedure about the following:
 - changes on CRP-1's
 - second-party reviews
 - signature requirements
 - approving conservation plans
 - AD-245's
- provides State Offices and Service Centers with a list of common error findings reported in CORP reports not specific to IPIA reviews.

Disposal Date	Distribution
October 1, 2010	State Offices; State Offices relay to Service Centers

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1 Overview (Continued)

C Action

SED's shall ensure that:

- applicable State Office division chiefs and specialists review this notice in detail to develop corrective action plans (CAP's), as needed, to ensure that County Offices follow applicable program procedures issued through National notices and program handbooks
- additional internal control procedures are developed to **avoid future findings** indicated by CORP reviews
- applicable State Office program divisions provide additional program training where needed and implement CAP's to reduce program errors
- DD's hold a meeting within their respective districts to review the notice with CED's and program technicians.

2 CORP Findings for FY 2009

A Findings and Policy

The following provides CORP findings and the policy reference for each finding.

Finding	Policy
Conservation Plan of Operations (CPO) is not signed by signatory on CRP-1.	<p>Before approving CRP-1's, COC, or designee, shall review and approve the plan to ensure that it has been signed and agreed to by:</p> <ul style="list-style-type: none"> • all signatories to CRP-1 • NRCS or Technical Service Provider (TSP) • Conservation District • COC or designee. <p>See 2-CRP, subparagraph 236 B.</p>
Changes on CRP-1 are not initialed by the producer.	All changes on CRP-1 must be initialed and dated by both the employee making the change and the producer. See 2-CRP, subparagraphs 137 C, 140 A, 141 B, 197 A, and Exhibit 16, subparagraph 16 A.
Changes on CRP-1 are not initialed by the employee making the change.	All changes on CRP-1 must be initialed and dated by both the employee making the change and the producer. See 2-CRP, subparagraphs 137 C, 140 A, 141 B, 197 A, and Exhibit 16, subparagraph 16 A.
AD-245 is not canceled when the performance report is not filed by the expiration date.	Cancel an approved AD-245 when the performance report is not filed by the expiration date. See 2-CRP, subparagraph 465 A.

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2 CORP Findings for FY 2009 (Continued)

A Findings and Policy (Continued)

Finding	Policy
Practice lifespan is not entered on AD-245, page 2.	The County Office shall manually enter the lifespan years for the practice in the certification by participant block, if it was not entered previously. See 1-CONSV, subparagraph 195 A.
Signature on CRP-1 is not properly formatted.	<p>The signature for an individual authorized to sign for an individual or an entity shall consist of both of the following:</p> <ul style="list-style-type: none"> • an indicator, such as “by” or “for”, illustrating that the individual is signing in a representative capacity • 1 of the following: <ul style="list-style-type: none"> • individual’s name • individual’s name and title • individual’s name, title, and name of the business operation. <p>See 1-CM, Part 25, Section 3.</p>
One or more required producer signatures are not obtained on CRP-1.	All owners, operators, and tenants who have an interest in the acreage being offered must sign CRP-1, including owners with zero share in CRP annual rental payments. See 2-CRP, subparagraph 198 A.
COC representative’s initials for payment approval are not entered on AD-245, page 2.	COC, or representative, must review AD-245, page 2 and any applicable invoices to ensure that payment calculations are correct and review payment information to ensure that producer data, program data, and C/S earned amount are correct. After all applicable documents are verified, COC, or representative, shall initial and date. This must be completed before payment is mailed to the producer. See 1-CONSV, Exhibit 15, subparagraph 1 A.
ACH/check number is not entered on AD-245, page 2.	Enter payment or ACH number for all producers. If additional room is needed, attach a separate sheet of paper to AD-245, page 2. See 1-CONSV, Exhibit 15, subparagraph 1 A.
COC representative’s signature is not entered on AD-245, page 2.	<p>COC’s representative shall sign and date when AD-245, page 2 is sent to the producer to inform of final approval. See 1-CONSV, Exhibit 15, subparagraph 1 A.</p> <p>COC’s representative shall sign and date when AD-245, page 2 is sent to the producer to inform of final approval or inform of additional components to be completed after a partial payment has been issued. See 1-CONSV, Exhibit 15, subparagraph 2 A.</p>
Signature on CRP-1 was accepted without signature authority on file.	County Offices shall verify that a signature authority is on file in the County Office before accepting a signature on any program or related documents on behalf of another. See 1-CM, subparagraph 707 A.
CRP-1 is approved without a second-party review.	Before approving CRP-1’s, County Offices shall complete a second party review of all eligibility requirements and maximum payment rate calculations. See 2-CRP, subparagraph 253 A.