

For: State and County Offices

County Office Preparation for Issuing CRP Annual Rental Payments

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

For payment year (PY) 2013, the following will be processed through the web-based Conservation Payments System:

- CRP annual rental payments, including State Acres for Wildlife Enhancement (SAFE)
- Emergency Forestry CRP (EFCRP) annual rental payments
- CRP Signup Incentive Payments (SIP's) and Practice Incentive Payments (PIP's).

CRP Transition Incentive Program (TIP) will be issued through the Common Payment System. More information about issuing TIP payments is forthcoming.

Kansas City is scheduled to initiate a batch payment process for CRP annual rental payments in early October. EFCRP contracts that are due an annual rental payment in October will be included in this batch payment process. The batch process will continue to be executed monthly to process EFCRP payments.

September 14, 2012, is the final day to perform **contract maintenance** activities until the initial batch payment process is run by Kansas City in early October. CRP offers may still be entered in the Conservation Online System (COLS).

Note: No new CRP contracts shall be added by County Offices during the time web-based farm records and reconstitutions are unavailable, from 8 p.m. c.t., September 14 through the morning of September 18, 2012, according to Notice CM-704.

After September 18, 2012, new contract approvals may be recorded in COLS and in System 36.

Disposal Date	Distribution
December 1, 2012	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose

This notice provides State and County Offices with the following:

- an overview of the upcoming PY 2013 annual rental payment process
- instructions to prepare for PY 2013 payments
- notification of available supporting materials
- questions and answers about CRP annual rental payments (Exhibit 1).

Note: Authority to issue payments will be announced in a separate notice.

2 CRP Payment Processing Overview

A CRP Payment Process

During October 2012, annual CRP rental payments will be initiated as a web-based batch process from Kansas City. County Offices **must** complete multiple steps **before** the batch process. If the steps are **not** completed **by September 14, 2012**, producers may **not** be paid during the batch process. County Offices **must**:

- update applicable producer eligibility files
- perform all needed contract maintenance.

The batch process initiated by Kansas City in early October will send payment information to NPS. County Offices must review CRP annual rental payments in NPS and perform the normal certifying and signing process **before** the payments will be released to Treasury and sent to the producers. The batch payment process will automatically run each month; thereafter, to process EFCRP payments.

B CRP SIP, PIP, and TIP

CRP SIP and PIP payments will continue to be issued through web-based Conservation Payments System. The CRP payment limitation applies to SIP, PIP, and TIP payments.

Note: CRP Riparian Buffer Incentives for the Oregon CREP and WRI payments for CREP will continue to be issued using Online Payments.

Instructions for handling TIP payments are forthcoming.

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2 CRP Payment Processing Overview (Continued)

C Conservation Payments User Guide

The Conservation Payments User Guide, posted on the State and County Office CEPD Information Center web site is available at <http://fsaintranet.sc.egov.usda.gov/ffas/dafp/cepdsto.htm>, provides detailed instructions for payment reports, issuing and canceling payments, and blocking and unblocking payments. The Conservation Payments User Guide will be used to process individual payments that fail the batch process.

D Transaction Statements

Transaction statements will be mailed by Kansas City to CRP participants receiving payments processed through the Conservation Payments System. **Only** payments that are processed successfully by NPS will receive a transaction statement. Producers will **not** be notified if the payment was manually blocked by the County Office or was not included in a batch process because of producer ineligibility. County Offices will **not** receive copies of transaction statements.

E Payment Corrections or Cancellations

System 36 functionality will still be available for issuing certain prior year payments previously issued through System 36, unless the payments have been canceled.

Example: If a portion of a producer's prior year payment (2008 and before) was issued from System 36, the remaining portion of the payment will be issued from System 36 special payments.

Any prior year payment being made in its entirety will be issued from the web-based Conservation Payments System. Payments issued from System 36 special payments do **not** go to Conservation Payments System. The payment goes to AS/400 and then through the message function to NPS.

Cancelling payments issued through the web-based Conservation Payments System will be performed in the Conservation Payments System.

3 Preparing for FY 2012 CRP Annual Rental Payments

A Reports Review

County Offices **must** review **all** reports listed in this subparagraph to prepare for CRP annual rental payments. Available reports include acreage, crop, producer eligibility, and prepayment reports. County Offices **must** run the following Farm, Tract, and Crop Reports according to 3-CM, Part 10, and resolve any outstanding issues **by September 14, 2012:**

- CRP Cropland Out-of-Balance Report
- CRP Pending Acres Out-of-Balance Report
- CRP Pending Report
- CRP Reduction Acres Out-of-Balance Report.

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3 Preparing for FY 2012 CRP Annual Rental Payments (Continued)

A Reports Review (Continued)

For PY 2012, web-based prepayment and payment reports are available in the Conservation Payments System. The Conservation Payments User Guide, posted on the CEPD State Office Information Center web site, provides detailed information about the Prepayment Process and Payment Reports.

The **Prepayment Process Reports are real time reports**. The reports available under the **“Payment Reports” option are updated each Friday**. County Offices should run the Payment Report Prepayment with Exceptions Report first to identify potential payment issues. Do **not** enter any contract number information to obtain a list of all contracts with exceptions for the county, as follows.

The screenshot displays the USDA Farm Service Agency Conservation Payments web interface. On the left is a 'Payments Menu' with options like 'Welcome 105354', 'Payments', 'View Contract Payment Summary', 'Reports', 'Prepayment Process', 'Payment Reports', 'AGI', 'Update AGI', 'Load AGI', 'Obligations', and 'Obligate Payment'. The main area is titled 'Payment Report' and contains the following fields:

- Program Name: CRP (dropdown)
- Payment Year: 2012 (dropdown)
- State: Mississippi - 28 (dropdown)
- County: Lauderdale - 075 (dropdown)
- Contract Number: [input field]
- Contract Number Range From: [input field] To: [input field]
- Payment Type: Annual (dropdown)
- Payment: Prepayment with exceptions (dropdown)
- Report Type: Details (dropdown)
- [Search button]

Notes: Payment limitation reductions shall be **ignored before October 1, 2012**. The payment limitation process will be accurate only after October 1, 2012.

Payment limitation is controlled by processing CRP contracts from oldest to newest (1-PL and 4- PL rules) by the Kansas City batch payment process. Blocking payments may cause payment limitation to be incorrectly calculated because contract payments would be processed out of order.

After potential problem contracts have been identified using the Payment Report Prepayment with Exceptions Report, County Offices shall run the Prepayment Process. Leave the contract number field **blank** on the Payment Report Screen. The search process will provide a list of **all** CRP contracts in the county. The user shall select each contract that has been identified as a potential problem. The user can view all the potential contracts and the associated errors. Each contract will display as a separate page of the report and County Offices may print those reports.

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3 Preparing for FY 2012 CRP Annual Rental Payments (Continued)

A Reports Review (Continued)

The screenshot shows the USDA Farm Service Agency Conservation Payments web interface. At the top, the USDA logo and 'United States Department of Agriculture' are on the left, and 'Farm Service Agency' is in the center. The title 'Conservation Payments' is on the right. Below this is a navigation bar with links: 'Payments Home', 'About Payments', 'Help', 'Contact Us', 'Exit Payments', and 'Logout of eAuth'. The main content area is divided into two sections. On the left is a 'Payments Menu' with a 'Welcome 105354' message and several menu items: 'Payments', 'View Contract Payment Summary', 'Reports', 'Prepayment Process', 'Payment Reports', 'AGI', 'Update AGI', 'Load AGI', 'Obligations', and 'Obligate Payment'. The 'Reports' item is highlighted. On the right is the 'Prepayment Report' form. It contains several dropdown menus and a text input field: 'Program Name' (CRP), 'Payment Year' (2012), 'State' (Mississippi - 28), 'County' (Lauderdale - 075), 'Contract Number' (empty text box), 'Payment Type' (Annual), and 'Payment Status' (All). A 'Search' button is located at the bottom of the form.

After correction of the data, the County Office shall rerun the Prepayment Process for that contract to ensure that no further corrections are needed.

Note: Payment reports shall no longer be generated on System 36.

Subsidiary web-based reports are also available for County Offices to use to identify CRP producer eligibility determinations and certifications that may need to be updated to prepare for CRP annual rental payments. Subsidiary web-based reports are described in detail in 3-PL (Rev.1), Part 7. County Offices may print the Subsidiary Print Report to show the status of all eligibility determinations and certifications for a customer. The County Eligibility Reports option is available for County Offices to display selected eligibility criteria for all producers.

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3 Preparing for FY 2012 CRP Annual Rental Payments (Continued)

B Contract Maintenance

County Offices **must** do **both** of the following:

- complete **all contract maintenance** activities for web-based EFCRP and SAFE offers and System 36 contracts **by September 14, 2012**

Note: Any contract maintenance activity **not** completed by September 14, 2012, **cannot** be recorded until **after** the initial batch payment process is completed in October 2012.

- resolve any outstanding CRP, EFCRP, and SAFE contract payment and refund issues.

Continuous Signup 42 CRP offers should continue to be entered in COLS after September 14, 2012, but not approved on System 36 until after September 18, 2012. SAFE offers should continue to be entered in COLS after September 14, 2012, but not approved in COLS until after September 18, 2012.

C Eligibility

In FY 2012, the Conservation Payments System will read 2012 determinations and certification information to determine producer eligibility for the CRP annual rental payments. The rules in effect at contract approval will determine which determinations and certification information apply to the contract. The applicable determinations and certification information **must** be updated for 2012 for a producer to receive the CRP annual rental payment.

Important: Failure to ensure that eligibility is correctly recorded may result in improper payments or payment failure.

Notes: Determinations and certification information may only be updated if documentation is filed and determinations are made.

Under **no** circumstances shall the subsidiary eligibility certification or determination information be changed to remove a producer listed on the Prepayment Report unless the required documentation is on file to support the system change.

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3 Preparing for FY 2012 CRP Annual Rental Payments (Continued)

C Eligibility (Continued)

The following determinations and certification information in the web-based Subsidiary Eligibility System apply to **all** CRP contracts:

- AD-1026
- conservation compliance
- controlled substance
- Federal crop insurance
- fraud-including FCIC fraud.

The following determinations and certification information in the web-based Subsidiary Eligibility System apply to CRP contracts approved **before October 1, 2008**. These determinations and certification information do **not** apply to CRP contracts approved on or **after October 1, 2008**, and will **not** apply to the extension period approved for 2009 extensions:

- actively engaged - 2002 Farm Bill
- cash rent tenant (cropland factor)
- permitted entity - 2002 Farm Bill
- person eligibility - 2002 Farm Bill.

AGI provisions are effective at contract approval and remain in effect for the life of the CRP contract as follows:

- 2002 Farm Bill:
 - applies to CRP contracts approved **before October 1, 2008**, but **after May 14, 2002**, **only if effective starting with the 2003 program year**
 - applies to the extension period approved during the Re-Enrollment and Extension option (REX) regardless of the original contract approval date
 - does **not** apply to CRP contracts approved on or **after October 1, 2008**
- Conservation Program Certification:
 - applies to contracts approved on or **after October 1, 2008**
 - applies to the extension period for contracts extended through 2009 extensions
 - does **not** apply to CRP contracts approved **before October 1, 2008**.

Note: For contracts other than contracts extended through REX process, with an approval date **before May 14, 2002**, or for contracts that were approved after May 14, 2002, and became effective for program year 2002, AGI provisions do **not** apply.

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3 Preparing for FY 2012 CRP Annual Rental Payments (Continued)

C Eligibility (Continued)

Important: CRP participant's AGI **must** be updated in the subsidiary files **before** the contract is approved, or before end of day is completed for System 36 contracts, on the day the contract is approved to prevent an AGI exception error at payment time.

The "Load AGI" and "Update AGI" options are available in the web-based Conservation Payments System for use by State Office specialists. These options will be used to update AGI in cases when the producer's AGI information was not updated timely in the subsidiary, but the proper paperwork was filed timely showing the participant's AGI compliance at the time of contract approval. State Office specialists shall not use the "Update AGI" option to modify AGI that was correctly recorded. After verifying the producer's correct AGI at contract approval, the State Office will select the "Load AGI" option for instances where no AGI is available or the "Update AGI" option to correct stored AGI data.

Note: AGI paperwork and determinations are **required before** CRP contract approval. If a County Office neglects to get the proper paperwork and does not make the AGI determination before the contract is approved, the State Office user **must** receive authorization **before** using the "Update AGI" option in these cases. The County Office **must** submit the case file to CEPD through the State Office.

CRP participants that were added to a contract with a zero share and had not filed paperwork for AGI determination are stored by the Conservation Payments System as not AGI complaint for the life of the contract. If the contract is later revised giving the zero share producer a share of the payment, the State Office user shall use the "Update AGI" option in the Conservation Payments System to override the bad AGI flag for the producer to now receive payment. This shall only be done when the proper paperwork is filed and determinations have been made.

Example: Contract 100 is approved in 2005 with Producer A receiving 100 percent share and Producer B receiving 0 percent share. No AGI paperwork was provided for Producer B. The AGI information was stored by the Conservation Payments System at the time the contract was approved. Producer A's AGI information is stored as good for the life of Contract 100 because the subsidiary was updated at time of contract approval with the correct determinations after Producer A filed the proper paperwork in the County Office. Producer B's AGI information is stored as bad for the life of Contract 100 because no AGI determination was made because no paperwork was filed at the County Office. Contract 100 is revised in 2012 to Contract 100A because of the death of Producer A. Producer B now gets 100 percent share of Contract 100A. Producer B's AGI was stored as bad when he was added to the original Contract 100, so Producer B is still not eligible for payment. Producer B now files AGI paperwork and is determined eligible for payment. The State Office user will be required to use the "Update AGI" option in the Conservation Payments System to override the bad AGI that was originally stored for Producer B.

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3 Preparing for FY 2012 CRP Annual Rental Payments (Continued)

D Haying/Grazing and Unauthorized Use Reductions

Notices CRP-718 and CRP 720 provide instructions for payment reductions.

E Customer Mailing Address and Local BIA Address

The customer's address associated with the active legacy link established in the State and county being paid will be used for payments and disbursement transaction statements.

For Indians represented by BIA, County Offices must verify that BIA has an active legacy link with the correct local BIA address recorded in SCIMS according to 1-CM.

F Prorated Payments

Prorated reduction amounts for **CRP contracts residing on System 36** will be recorded in System 36 according to 1-CRP, paragraph 355.3. The prorated reduction amount will upload to Kansas City. The Conservation Payments System will process the uploaded prorated reduction amount during payment processes.

Notes: All contracts due payment for a portion of the year because of a revision **must** have their prorated amounts entered in special payments on System 36, Screen EPCJ7301.

If the contract with a prorated payment is revised, prorate the parent contract and flag with "Y" in the "Miscellaneous" field. The "MISC" flag **must** be updated to "Y" for the parent contract to be paid, and then prorate the child contract.

If a System 36 contract is **not** paid in the October batch payment process and is revised on or **after October 1, 2012**, the "MISC" flag **must** still be updated to "Y", although there is no prorated reduction amount. A contract must be effective for the year the contract payment is expected to be issued.

Example: For a contract to be available under PY 2012 in the Conservation Payments System, the contract **must** be effective for PY 2012.

Prorated payments for **web based CRP contracts (SAFE, EFCRP, SU41)** are determined by the effective start date and end date of the parent and child contracts. For complete information, see State and County Office CEPD Information Center Intranet site at <http://fsaintranet.sc.egov.usda.gov/ffas/dafp/cepdsto.htm>. CLICK "**Guidance in Response to Field Questions**" in item 16. On the Conservation Automation Branch Emails to State Offices Page, CLICK "**Effective Start Date Clarification for SAFE and EFCRP**" in item 3.

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4 Action

A State Office Action

State Offices shall ensure that County Offices follow instructions in this notice.

B County Office Action

County Offices shall read and follow the provisions of this notice.

C Contacts

For questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact either of the following, as applicable:
 - Kimberly Wright, CEPD, for payment issues at 202-720-1659
 - Rick Blackwood, PECD, for SCIMS and subsidiary issues at 202-720-5422.

Questions and Answers

- Q1.** Some contracts were flagged on the CRP contract on System 36, Special Payment Reductions Screen EPCJ7301, with a “Y” in the “Zero Value” field for 2010 annual payments. Do these flags need to be removed for 2011 payments?
- A1.** Yes. According to 1-CRP, subparagraph 355.3 D, **all data** entered for reduced value reduction, inherited CRP-1 over PL, and zero valued original CRP-1's **will remain selected** year to year until either changed or CRP-1 expires.
- Q2.** Do “MISC” flags that were updated to “Y”, on System 36 Special Payment Reductions Screen EPCJ7301, for 2011 payments, need to be removed to process 2012 payments?
- A2.** The “MISC” flag entered on System 36 Screen EPCJ7301 is year specific; 2011 “MISC” flags will have **no** effect on 2012 payments.
- Q3.** The System 36 Name and Address File Maintenance Screen MACI2501 has a “Refuse Payment” field. If the County Office flags the “Refuse Payment” field with a “Y”, will this prevent the CRP rental payment from being issued?
- A3.** No, flagging the “Refuse Payment” flag will **not** block a payment from being issued through the Conservation Payments System.
- Q4.** The prepayment reports found under the “Prepayment Process” option in the web-based Conservation Payments System does not provide a list of contracts for the county. Why am I required to select individual contracts under this option, rather than having an option to see every contract for the county at once?
- A4.** For each contract that is selected under the Prepayment Process Prepayment Report, the system will run a process to collect updated information from SCIMS, AGI service, Eligibility service, 578 Compliance service, and Direct Attribution to provide **real time** information for that contract. Users may select multiple contracts at a time.
- Q5.** Does a State Office User have access to the Conservation Payments System reports?
- A5.** Yes, a State Office user has view access to all the reports for each county in the State.
- Q6.** I corrected several issues that were causing payment exception errors. When I ran the payment reports, the exceptions were still listed. Why are the exceptions still on the payment reports?
- A6.** The prepayment reports found when using the “Payment Reports” option do **not** provide real time information. The information in these reports is updated by a batch process that is currently run once a week, on Friday afternoon, by Kansas City.

Questions and Answers (Continued)

- Q7.** I have FSA 325, “Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent” on file because a producer on a CRP contract died and there is no successor, but the heirs are due the payment. How do I get the heirs paid?
- A7.** Set the “Other Agency” claim flag for the deceased CRP participant to “Y” in Financial Services. The payment will be issued from the Conservation Payments System to the deceased CRP participant. The payment will go to NPS manual handling where the heirs of the deceased CRP participant can be added to receive the payment.
- Q8.** Why are terminated and cancelled CRP contracts showing up on the web-based prepayment and payment reports?
- A8.** Terminated contracts residing on the System 36 will only be displayed on the reports if the “MISC” flag on the special payments Screen EPCJ7301 on System 36, is updated to “Y”, indicating the terminated contract should receive a payment. Terminated contracts residing on the Web (SAFE, SU41, EFCRP) will show up for payment if the contract effective start and end date reflect that the contract was in fact active for a period of time and should receive payment.
- Q9.** When I try to issue a contract payment using the “Make NPS Payment” option in the Conservation Payments System, the system displays the message, “No Contract Found”. The contract I am trying to pay is listed on the prepayment and payment reports. What should I do?
- A9.** The Conservation Payments System will display the “No Contract Found” message for any payment that has been blocked using the “Block Payment” option. If the payment should be issued, unblock the payment using the “Unblock Payment” option.
- Q10.** I have a number of producers that have a “Receivable” flag in name and address on System 36. Will the “Receivable” flag in System 36 hold things up during payments?
- A10.** The “Receivable” flag on System 36 will have no effect on Conservation Payments.
- Q11.** I have a cancelled System 36 CRP contract on which the producer has died and there is no successor. How can I pay the contract for the months it was active before the producer died?
- A11.** Reinstate the contract by selecting option “8”, “Special Corrections on Menu EPCA00”, and PRESS “Enter”. Screen EPCP0001 will be displayed. Select option “2”, “Reinstate Cancelled Contract”. This will make the contract active and available in the Conservation Payments System so the payment can be issued using the “Make NPS Payment” option. After the payment is issued, go back into System 36 and re-cancel the contract.

Note: Prorate the payment according to 1-CRP, paragraph 355.3, so the payment amount will be correct in Conservation Payments System.

- Q12.** How do I load assignments for CRP payments?
- A12.** Follow procedure in 63-FI, paragraph 95, to enter assignments for CRP.