

For: State and County Offices

Processing 2013 CRP and Related Conservation Payments

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Notice CRP-741 notified State and County Offices:

- that software currently used to issue CRP annual and incentive payments for amounts earned in 2012 and prior years will be disabled
- to ensure that all payments that have been earned are issued, to the maximum extent possible, through the automated web-based Conservation Payment software before the 2012 and prior year options are disabled
- that any payments not issued after applicable software options are disabled will subsequently be issued through an authorized payment process that includes a manual review of the case file by State Offices
- that July 15, 2013, was the projected date to disable the 2012 and prior year options in the Conservation Payment system.

B Purpose

This notice:

- notifies State and County Offices that options for:
 - 2012 and prior year CRP-related payment processing was disabled on September 5, 2013
 - 2013 and future year payment processing are available beginning September 9, 2013
- clarifies which payments are earned for the 2013 program year
- advises State and County Offices that a forthcoming notice will be issued providing guidance for issuing outstanding 2012 and prior year payments.

| | |
|--------------------------|--|
| Disposal Date | Distribution |
| March 1, 2014 9-12-13 | State Offices; State Offices relay to County Offices |

Notice CRP-747

2 Conservation Payment Processing

A Introduction

Notice CRP-741 advised State and County Offices that the Conservation Payment software is being redesigned to use the Common Payment Framework process that has been developed for other web-based payment systems. This system consistently applies the payment limitation, payment eligibility, and direct attribution provisions applicable to most FSA farm program payments. These changes were being made along with the planned migration of all CRP contract information to the new web-based Contract Maintenance system described in Notice CRP-741, paragraph 2.

The release of the Contract Maintenance software has been delayed, but the changes to the current Conservation Payment system are being implemented in advance of the 2013 October payment process for CRP annual rental payments.

B Description of CRP Payment Software Modifications

The following changes are being made to the Conservation Payment system:

- options currently applicable to BCAP and GRP are unchanged
- options to block and/or unblock a payment have been removed
- options to make and cancel CRP-, SAFE-, and EFCRP-related payments will be available for the 2013 program year only.

This table illustrates the options that will be available in the Conservation Payment system after the 2012 and prior year options are disabled.

| Option | Program | Payment Type | Years Available |
|--|---------------------|-----------------------------|------------------------|
| <ul style="list-style-type: none"> • Make NPS Payment • Cancel NPS Payment • Prepayment Process | CRP, including SAFE | Annual Rental ^{1/} | 2013 |
| | | SIP | |
| | | PIP | |
| | BCAP | Annual | 2012 through 2014 |
| | EFCRP | Annual | 2013 |
| Lump Sum | | | |
| | GRP | Annual | 2010 through 2013 |
| | | Easement | |
| <ul style="list-style-type: none"> • View Contract Payment Summary • Payment Reports | CRP, including SAFE | Annual Rental | 2001 through 2013 |
| | | SIP | |
| | | PIP | |
| | BCAP | Annual | 2012 through 2014 |
| | EFCRP | Annual | 2006 through 2013 |
| | | Lump Sum | |
| | GRP | Annual | 2010 through 2013 |
| | | Easement | |
| Record Reductions | CRP, including SAFE | Annual Rental | 2013 |
| | EFCRP | Annual | 2013 |

^{1/} Available after October 1, 2013.

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2 Conservation Payment Processing (Continued)

C Projected Shutdown

The Conservation Payment system:

- was disabled beginning September 5, 2013, to install new software modifications
- was available September 9, 2013, with options for processing 2013 and future year CRP-related payments.

Note: GRP and BCAP payment processing options are unchanged.

3 Payment Limitation

A Introduction

2-CRP, Amendment 16 provided clarification for handling payment limitation for CRP payments including SIP and PIP. CRP-1 Appendix, dated May 7, 2013, was also issued that clarified how payment limitation would be applied for SIP and PIP.

B Determining When a Payment Is Earned

General payment limitation and payment eligibility provisions provide that payments should be attributed to the FY, crop year, or program year associated with the year the payment is earned.

The payment eligibility period is the timeframe for which a producer, or member of an entity or joint operation, must meet certain payment eligibility provisions, including but not limited to “actively engaged in farming”, conservation compliance, foreign person, and permitted entity provisions.

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3 Payment Limitation (Continued)

B Determining When a Payment Is Earned (Continued)

For CRP, there are a number of payments for which different rules apply that are earned at different times. This table specifies how payment limitation will be attributed to the \$50,000 CRP for 2013 and future year CRP annual rental and related payments.

Note: The following are the general rules assuming all eligibility requirements are met. A payment may not be due because the producer has not met all eligibility requirements, but the due date and the date earned does not change for payment limitation purposes.

| Payment Type | Due Date | Earned | Example | |
|---------------------|---|---|--|---|
| | | | Contract Information | Payment Eligibility Period |
| CRP Annual Rental | October 1 following the effective start date of the contract. | FY preceding October when the payment is due. | Contract approved on August 23, 2012, with an effective start date of October 1, 2012. | 2013. The first annual rental payment is due on October 1, 2013, (FY 2014) for October 1, 2012, through September 30, 2013. |
| SIP | Immediately upon contract approval. | FY associated with the contract approval date. | Contract was approved on August 23, 2013. | 2013. |
| PIP | Immediately following certification that the practice has been completed. | FY associated with the date the practice was certified as complete. | Producer or TSP certifies the practice was completed on July 15, 2013. | 2013. |
| EFCRP Annual Rental | First day of the month following the anniversary of the contract approval date. | FY preceding the day the payment is due. | Contract approved on January 15, 2007, with an effective start date of February 1, 2007. | 2013 for current annual rental payment. The 2013 payment was issued or due on February 1, 2013, with January 31, 2013, used to determine the payment eligibility period. |
| TIP | Subsequent October 1 following the effective start date of the contract. | FY preceding October when the payment is due. | Contract approved on August 23, 2012, with an effective start date of October 1, 2012. | 2013. The first payment is due on October 1, 2013, (FY 2014) for October 1, 2012, through September 30, 2013. |

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3 Payment Limitation (Continued)

C Changes to the Conservation Payment System

Following installation of the modified software on September 9, 2013, all payments earned in 2013 will be attributed to a new payment limitation record created specifically for 2013. The original 2013 payment limitation record could not be used because it includes amounts that were earned in FY 2012. A process has also been run to attribute the following payments to the new 2013 payment limitation record.

| Type of Payment | Which Payments Apply to New 2013 Pay Limitation |
|-------------------------------|---|
| SIP | For contracts enrolled during signup 44 that are approved after May 13, 2013. If the contract was approved in FY 2012, but just not updated in the system until FY 2013, then the SIP payment is tied to 2012 and will not be attributed to the new 2013 payment limitation record. |
| PIP EFCRP Annual Rental | All payments issued since October 1, 2012. Although some of these payments may have actually been earned in FY 2012 according to subparagraph B, the data did not exist in the system to accurately determine the date the payment was earned. |

D Action

County Offices shall ensure that:

- only payments earned in FY 2013, as defined in subparagraph B, are issued using the automated Conservation Payment system after September 9, 2013
- any payments earned in FY 2012 or a prior year are issued through the authorized payment process as provided in a forthcoming notice.

Because it could not be determined in all cases whether the payment issued in 2013 was earned in 2013, some PIP and EFCRP payments may have been attributed to the new 2013 payment limitation record in error. This is not a problem unless other payments are reduced for payment limitation purposes. If a producer's payments are reduced in error because PIP or EFCRP was not paid timely, County Offices shall submit the following documentation to the State Office:

- CRP-1 associated with the payment earned
- AD-862 or FSA-848B, as applicable, verifying when the practice was certified as complete for PIP payments
- reason the payment was issued in FY 2013 instead of the year it was actually earned
- any other documentation pertinent to the case.

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3 Payment Limitation (Continued)

D Action (Continued)

Following review of the documentation submitted, if the State Office agrees a payment has been attributed to the new 2013 payment limitation record in error, the case shall be submitted to the FSA Farm Programs Payment Processing Issues SharePoint site, with the applicable documentation.

4 Other Changes Affecting Software to Issue 2013 and Future Year Payments

A Blocking and/or Unblocking Payments

FSA is only allowed to withhold a producer's payment according to policy set forth in 58-FI, paragraph 177 following approval of the request by the OBF Director and OGC.

The option to block a payment allows County Offices to prevent a payment from being processed during the batch payment process. However, because of the importance of processing payments in the correct order with contracts subject to 1-PL provisions being run before contracts subject to 4-PL provisions, and to ensure that the provisions of 58-FI are met, the option to block a payment will no longer be available when the Conservation Payment system is back online beginning September 9, 2013.

Any payments blocked before the removal of the option to block and/or unblock payments will be processed in the normal manner, ignoring the blocked status, during the batch payment process in October. County Offices shall ensure that all contracts are updated properly to ensure that payments process properly when the batch payment process is initiated on October 1, 2013.

Note: A list of the contract payments that have been blocked for 2013 will be distributed to State Offices after the option to block payment has been removed.

If guidance is needed for properly updating contracts in various situations:

- County Offices shall contact their State Office
- State Offices shall contact the Common Provisions Branch, PECD.

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4 Other Changes Affecting Software to Issue 2013 and Future Year Payments (Continued)

B Handling Payments Not Issued by September 9, 2013

Once the Conservation Payment system options have been disabled for 2012 and prior years, any remaining payments will be issued through an authorized payment process. Additional information will be forthcoming, but the payment authorization process generally involves:

- manual review by the County Office to determine the amount that should be paid, documenting the reason the payment was not issued timely and providing all applicable documentation for additional review
- detailed review by the State Office to confirm the payment request is valid and obligate or authorize the funding to issue the payment.

Note: Payment problems for 2012 and prior years submitted to the National Office before September 9, 2013, will continue to be researched by National Office staff as quickly as possible, and State Offices will be notified when a resolution is reached.