

For: State and County Offices

FY 2013 National CORP Review for Improper Payments for CRP

Approved by: Deputy Administrator, Farm Programs



1 CORP Findings for FY 2013

A Background

The Improper Payments Information Act (IPIA) of 2002 requires Federal agencies to annually review programs to determine whether internal controls are sufficient to prevent issuing improper payments.

These reviews enable FSA to have reliable and statistical data to discern the overall effectiveness of programs and determine whether adequate management controls are in place to conform to IPIA requirements. OMB defines an improper payment as any payment that should **not** have been issued or was issued in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts include both overpayments and underpayments.

The error rate for CRP increased compared to the 2012 IPIA error rate.

During the FY 2013 CORP review, the CRP error rate was 0.38 percent, up from 0.36 percent for the FY 2012 review.

Program	Year	Error Rate
CRP	2012	0.36
	2013	0.38

B Purpose

This notice:

- is being issued as part of FSA’s corrective action plan (CAP) as required under IPIA
- informs State and County Office employees of CORP findings about CRP
- directs followup action within each State to ensure that all offices review the discovered errors and take any needed corrective action.

Disposal Date	Distribution
January 1, 2014	State Offices; State Offices relay to County Offices

Notice CRP-749

1 CORP Findings for FY 2013 (Continued)

C Action

SED's shall ensure that:

- applicable State Office division chiefs and specialists review this notice in detail to develop 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 findings indicated by CORP reviews
- applicable State Office program divisions provide additional program training where needed and implement CAP's to reduce improper payments
- DD's review this notice with CED's and PT's within their respective districts.

D Findings and Policy

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

Finding	Policy
Applicable payment reduction is not made.	For each applicable year the CRP participant hayed or grazed eligible CRP acreage, the CRP-1 annual rental payment shall be reduced by the number of acres actually hayed or grazed, times the CRP per acre annual rental payment, times 25 percent. See 2-CRP, paragraphs 666, 681, 694, and 717.
Rental rate is incorrect.	For general CRP contract payments, County Offices shall determine the maximum payment rate (MPR) for the offer according to 2-CRP, paragraph 101. County Offices shall ensure that the correct 3 predominant soils, SRR's, and maintenance rates are used to determine the rental rate for the offer. For continuous CRP and CREP contract payments, County Offices shall determine MPR for the offer according to 2-CRP, paragraphs 101 and 196 for both cropland and MPL rental rate calculations. Before CRP-1 is completed, the County Office shall inform the participant of the calculated per acre MPR for the eligible acreage being offered on CRP-2C. County Offices shall ensure that incentives are calculated according to 2-CRP, paragraph 196.
Acres are incorrect.	Correct erroneous acre determinations according to 2-CRP, subparagraph 546 B.
Payee exceeds AGI limitation.	For AGI rules, County Offices shall follow 1-PL and 4-PL.
No CRP-1 on file.	Before approving CRP-1's, County Offices shall ensure that a separate CRP-1 is completed for: <ul style="list-style-type: none"> • each CRP-2 or CRP-2C • practices with different lifespans. See 2-CRP, paragraphs 211, 332, and 401.