

For: State and County Offices

Preventing Improper Payments Under LIP

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Food, Conservation, and Energy Act of 2008 (2008 Act) authorized LIP. LIP provides compensation to eligible livestock producers who have incurred livestock death losses in excess of normal mortality on or after January 1, 2008, and before October 1, 2011. Eligible losses as a result of adverse weather, as determined by the Secretary during the calendar year, include blizzards, disease, extreme cold, extreme heat, floods, hurricanes, and wildfires.

Livestock owners and contract growers who suffered livestock losses during calendar years 2008 and 2009 started signup on July 13, 2009. The web-based LIP payment software will **not** be available at the beginning of the sign-up period. A manual payment process has been developed and County Offices may begin issuing manual LIP payments on or about July 20, 2009.

B Purpose

The notice:

- informs State and County Offices that:
 - CCC-770 Eligibility or CCC-770 ELIG 2008, as applicable, must be completed for each producer before a payment is issued to the producer using the manual payment process
 - FSA-770 LIP must be completed for each producer before a payment is issued to the producer using the manual payment process
- provides instructions for completing FSA-770 LIP.

Disposal Date	Distribution
May 1, 2010	State Offices; State Offices relay to County Offices

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2 Preventing Improper Payments

A Improper Payments

The Improper Payments Information Act of 2002 (IPIA) requires Federal agencies to evaluate programs to determine whether internal controls are sufficient to prevent improper payments. County Offices shall take all steps necessary to ensure that program and payment eligibility requirements have been met before issuing any payments.

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 requirement.

B CCC-770 Eligibility

CCC-770 Eligibility shall be completed according to 3-PL for each producer before a 2008 LIP payment is issued to the producer using the manual payment process.

C CCC-770 ELIG 2008

CCC-770 ELIG 2008 shall be completed according to 3-PL (Rev. 1) for each producer before a 2009 LIP payment is issued to the producer using the manual payment process.

D FSA-770 LIP

FSA-770 LIP shall be completed:

- according to subparagraph E before a LIP payment is issued to the producer using the manual payment process
- for each year the producer files FSA-914.

Example: Producer A files FSA-914 for calendar years 2008 and 2009. FSA-770 LIP shall be completed for calendar years 2008 and 2009.

County Offices shall ensure that applicable FSA-770 LIP's are completed before issuing LIP payments.

Important: FSA-770 LIP was developed by the National Office and is the only authorized checklist for LIP. County Offices shall **not** use locally or State-developed checklists for administering LIP.

FSA-770 LIP does **not** negate STC, SED, State Office, DD, COC, CED, and County Office responsibility for administering all provisions applicable to LIP.

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2 Preventing Improper Payments (Continued)

E Instructions For Completing FSA-770

FSA-770 LIP shall be completed according to the following.

Item	Instructions
1	Enter name of the producer.
2	Enter applicable State name.
3	Enter County Office name that is completing FSA-770 LIP.
4	Enter the calendar year for which benefits are being requested from FSA-914, item 2.
5-21	Check (✓) “YES”, “NO”, or “N/A”, as applicable for each entry.
22	Enter any remarks that may explain special circumstances or explanation for items checked “NO”.
23A and B	Any employee that initials 1 or more items from items 5 through 21 shall certify by signing as preparer and entering date of signature.
24A, B, and C	<p>Important: This item will be completed if FSA-770 LIP is selected for spot check.</p> <p>If FSA-770 LIP is selected for spot check, CED or designated representative shall certify:</p> <ul style="list-style-type: none"> • item 24A by checking “Concur” or “Do Not Concur” accordingly if FSA-770 LIP items have been verified and completed • item 24B by signing • item 24C by entering date of signature.
25A, B, and C	<p>Important: This item will be completed if FSA-770 LIP is selected for spot check.</p> <p>If FSA-770 LIP is selected for spot check, STC designee shall certify:</p> <ul style="list-style-type: none"> • item 25A by checking “Concur” or “Do Not Concur” accordingly if FSA-770 LIP items have been verified and completed • item 25B by signing • item 25C by entering date of signature.

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2 Preventing Improper Payments (Continued)

F Example of FSA-770 LIP

The following is an example of FSA-770 LIP.

This form is available electronically.				
FSA-770 LIP (07-17-09)	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	1. Producer Name	2. State Name	
LIVESTOCK INDEMNITY PROGRAM CHECKLIST		3. County Office Name	4. Calendar Year	
NOTE: County Offices shall ensure that eligibility has been updated according to CCC-770 Eligibility or CCC-770 ELIG 2008 as applicable, before payments are issued for applicable producer.				
Office Staff Actions	Handbook or Other Applicable Reference	YES	NO	N/A
5. Did the eligible livestock owner or contract grower file a notice of loss on FSA-914, Parts A and B, by the applicable deadline?	1-LDAP, paragraph 40 and 72			
6. Did the eligible livestock owner or contract grower sign and date FSA-914, application for payment, by the applicable deadline?	1-LDAP, paragraph 73			
7. Has signature authority been verified for all signatures on FSA-914?	1-CM, Part 25			
8. Does the producer meet the requirements of an eligible livestock owner or eligible livestock contract grower, as applicable?	1-LDAP, paragraph 41			
9. Do all the livestock on FSA-914 meet the requirements for being eligible livestock for owners or contract growers, as applicable?	1-LDAP, paragraph 41			
10. Has the LIP payment amount for the eligible contract grower been reduced for the calendar year listed in item 4, by the amount of monetary compensation received from their contractor for the loss of income in the calendar year listed in item 4, from the dead livestock?	1-LDAP, paragraph 42			
11. Did the applicant provide verifiable documentation of livestock losses claimed on FSA-914?	1-LDAP, subparagraph 73 E			
12. If Item 11, is answered "NO", did the COC or CED disapprove FSA-914?	1-LDAP, paragraph 75			
13. If the applicant could not provide verifiable documentation of livestock losses, did the applicant provide reliable documentation of losses, in conjunction with verifiable beginning and ending inventory records as documentation of livestock losses claimed on FSA-914?	1-LDAP, subparagraph 73 F			
14. If Item 13 is answered "NO", did COC disapprove FSA-914?	1-LDAP, paragraph 75			
15. If 3 rd party certification was provided on FSA-926 to document livestock losses, did COC approve or disapprove, and date FSA-926 after completing the review, and document review in COC minutes?	1-LDAP, subparagraph 73 G and paragraph 74			
16. If a 2008 calendar year loss, has CCC-502, AD-1026, and CCC-526 been completed by the applicant and on file in the County Office no later than January 30, 2009?	1-LDAP, Paragraph 73			
17. If Item 16 was answered "NO", did COC or CED, if applicable, disapprove FSA-914?	1-LDAP, paragraph 75			
18. If a 2009 or subsequent calendar year loss, has CCC-901, if applicable, AD-1026, and CCC-926 been completed by the applicant and on file in the County Office no later than 30 calendar days after the end of the calendar year for which benefits are requested?	1-LDAP, paragraph 73			
19. If Item 18 was answered "NO", did COC or CED, if applicable, disapprove FSA-914?	1-LDAP, paragraph 75			

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2 Preventing Improper Payments (Continued)

F Example of FSA-770 LIP (Continued)

FSA-770 LIP (07-17-09)		Page 2		
Office Staff Actions	Handbook or Other Applicable Reference	YES	NO	N/A
20. Has FSA-914 been signed, dated, and approved by COC, CED, or authorized representative?	1-LDAP, paragraph 75			
21. If 3 rd party certification was used to provide proof of death loss, did COC sign, date, and approve or disapprove FSA-914?	1-LDAP, paragraph 75			
22. Remarks				
Certification				
23A. Signature of Preparer(s)	23B. Date (MM-DD-YYYY)	23A. Signature of Preparer(s)	23B. Date (MM-DD-YYYY)	
24A. I concur/do not concur the above items have been verified and updated accordingly: <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur				
24B. CED Signature for Spot Check			24C. Date (MM-DD-YYYY)	
25A. I concur/do not concur the above items have been verified and updated accordingly: <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur				
25B. STC Designee Signature for Spot Check			25C. Date (MM-DD-YYYY)	
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3 Action

A County Office Action

CED's shall ensure that:

- CCC-770 Eligibility or CCC-770 ELIG 2008, as applicable, are completed for each producer before LIP payments are issued
- FSA-770 LIP is completed for each producer before LIP payments are issued according to 1-LDAP.

B State Office Action

State Offices shall ensure that County Offices are immediately notified of the contents of this notice.