UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

For: State and County Offices, CMA's, DMA's, and LSA's

Enhancements for Processing APSS-Generated Payments after the National Payment Service (NPS) Centralization

Approved by: Deputy Administrator, Farm Programs

1 Overview

A Background

Payment centralization deployment began on December 3, 2008. County Release No. 655 and additional software broadcasts disabled NPS until December 10, 2008. As a result of this initiative, all payment requests will be routed to NPS for processing regardless of where the payments were initiated.

With the implementation of centralization, normal APSS business processes have been enhanced to adapt to the new automated system and internal accounting controls. As deployment is implemented, APSS users will notice modifications to various loan or LDP screens and functions. These modifications were developed to allow APSS payment requests to be replicated to NPS.

B Purpose

This notice provides information about the following:

*   routing APSS payment requests to NPS
*   new alternate and multiple payee process
*   manual loan process
*   correction process
*   additional information to process payments.

C Contact

For questions about this notice, State Offices shall contact Shayla Watson, PSD, by either of the following:

*   e-mail at **shayla.watson@wdc.usda.gov**
*   telephone at 202-690-0013.

Disposal Date	Distribution
August 1, 2009	State Offices; State Offices relay to County Offices, CMA's, DMA's, and LSA's

2   Information Bulletin No. 4630

A   Actions for Payments Submitted to NPS Before Information Bulletin No. 4630

Information Bulletin No 4630:

- was transmitted on December 12, 2008

- provided the APSS enhancement to the Price Support - Alternate Payee
  Screen PLD12500.

Payable requests that were submitted to NPS before Information Bulletin No. 4630 appear in the "Manual Handling" worklist. County Offices have the option to perform 1 of the following:

- issue these payments through NPS to request a check from the Department of Treasury (Treasury) using the alternate payee function according to subparagraph 7 A

- cancel and reissue the loan to use the alternate payee screen in APSS to request electronic funds transfers (EFT's) for producers with direct deposit or to request multiple payables as described in Exhibit 1 and subparagraph 4 B.

To process saved loans, County Offices must re-access the loan according to 12-PS, paragraph 357. Once Screen PCA005 is displayed, the user must ENTER "1", "Print Loan Documents and Disburse Check", and proceed according to subparagraph 4 B.

   Important: All payable requests, other than loan disbursements, generated from APSS will
                       be defaulted to the alternate payee process in NPS and issued as a check from
                       Treasury until additional software is deployed.

3   APSS Payment Replication to NPS

A   Routing APSS Payment Requests to NPS

After installing County Release No. 655 and the broadcast of applicable software, all payments made through APSS must now be certified and signed in NPS. The following provides a description of the process in which all APSS application payments will follow.

Step	Action
1	The loan or LDP will be processed in APSS.
2	The System 36 will replicate payments to NPS.
3	The payment will appear on the "NPS" worklist. **Note:** Some payments may appear on the "Manual Handling" worklist.
4	Payment will be certified.
5	Payment will be signed.
6	Disbursements will be certified by Accounting and a Treasury confirmation will be received.
7	A check or ACH will be issued to the customer.

4   Processing Loan Disbursements

A   Alternate and Multiple Payees

According to 8-LP, the balance of the loan proceeds may be disbursed jointly to the producer and lienholder **after** applicable administrative offsets to CCC, FSA, or other creditor agencies, as indicated in 58-FI.

Before downloading County Release No. 655, the ability to issue joint or split payments to customers or authorized third parties was possible by using CCC-184's. Loans may be disbursed as indicated in the scenarios provided in Exhibit 1.

Previously on Menu PLA005, immediately after a user selected "1", "Print Loan Documents and Disburse Check", Screen PLA13005 was displayed. On Screen PLA13005, users entered UCC-1, chattel mortgage filing date, lien search date, original approval date, and DCIA certification.

To facilitate the ability to issue loan disbursements, as applicable, to the appropriate party, APSS has been enhanced to submit multiple payee requests to NPS. Users must indicate how payments will be issued on Screen PLD12500 before the request is replicated to NPS. On Menu PLA005, after selecting "1", "Print Loan Documents and Disburse Check", **now** Screen PLD12500 will be displayed.

The following is an example of Screen PLD12500.
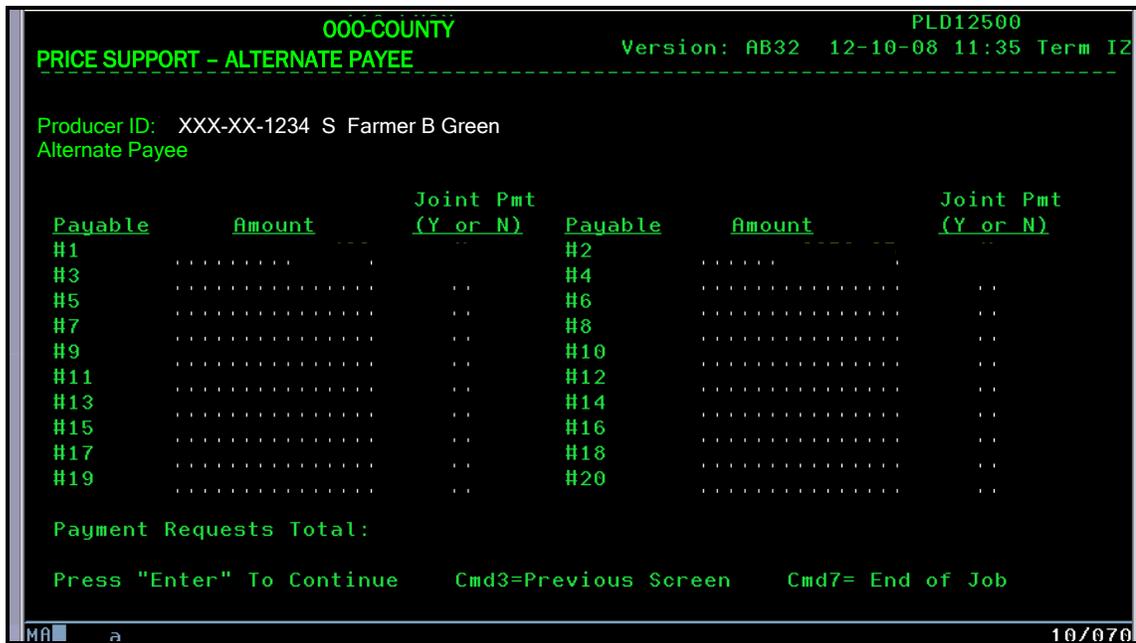
4   Alternate Payees (Continued)

B   Using Screen PLD12500 in APSS

Screen PLD12500 has been developed to request multiple payables as needed. The
following provides instructions for submitting payable requests to NPS for further
processing. See Exhibit 1.

Note: If a loan consists of multiple producers, Screen PLD12500 will repeat for each
producer. Users may print a copy of Screen PLD12500 if multiple payables are
entered. This will assist in ensuring that all payment requests have properly
replicated to NPS.

IF a…	THEN on Screen PLD12500, the user must…
single payment to 1 producer is to be issued	• enter the total disbursement amount due next to "Payable #1" • ENTER "N" in the "Joint Pmt" column.
joint payment to producer and other authorized payee is to be issued	• enter the total disbursement amount due next to "Payable #1" • ENTER "Y" in the "Joint Pmt" column.
payment to producer and other authorized payee (less producer share) is to be issued	• enter the disbursement amount due to the producer next to "Payable #1" • ENTER "N" in the "Joint Pmt" column • enter the disbursement amount due to the authorized payee in "Payable #2" • ENTER "Y" in the Joint Pmt column. **Note:** Users may enter up to 20 payable requests on Screen PLD12500 as needed.
single payment to authorized third party (not an assignment) is to be issued	• enter the total disbursement amount due next to "Payable #1" • ENTER "Y" in the "Joint Pmt" column.

Note: The alternate payee function in APSS shall **not** be used to process payments made as
an assignment. See Notice FI-2878 for information about assignments.

4   Alternate Payees (Continued)

B   Using Screen PLD12500 in APSS (Continued)

The "Payment Requests Total" field will display the total amount due to the producer. If an amount is entered next to a payable, an entry in the "Joint Pmt" column is required. The total disbursement amount due must be allocated on Screen PLD12500. For multiple producers, the amount of the individual producer's share must be allocated for each producer as applicable. If the amount entered in the payable field(s) is more or less than the amount indicated in the "Payment Requests Total" field, the user will be prompted with the applicable error message.

If an "N" is entered in the "Joint Pmt" column, the amount entered will be routed directly to the "Certification" worklist in NPS and submitted through ACH if the producer has direct deposit information on file. If there is no direct deposit on file, a check will be issued.

Important: If an "N" is entered in the "Joint Pmt" column and the payable is replicated to NPS, users will only have the option to issue the payment **directly** to the producer.

If a "Y" is entered in the "Joint Pmt" column, the amount entered will be routed to the "Manual Handling" worklist in NPS and a check will be issued. See paragraph 7.

Important: If the payment must be issued to a third party, "Y" must always be entered on Screen PLD12500.

Once the appropriate information has been entered on Screen PLD12500, the user must PRESS "Enter" to continue. APSS will then display Screen PLA13005 to enter the following:

- UCC-1 or chattel mortgage filing date, if applicable
- date of lien search
- original loan approval date
- the DCIA compliance response, as applicable.

To complete the process, the user must ENTER "Y".

A summary of the total disbursement amount will appear at the bottom of Screen PLA13005. This amount will be forwarded to NPS for further processing.

Note: All transactions must be certified and signed through NPS.

5   Manual Loan Processing

A   Manual Loan Payments

The manual loan function in APSS is used to process loan corrections or to enter loans in which loan proceeds were disbursed by typewritten check outside of APSS. Although loan corrections are a regular occurrence, County Offices rarely process non-APSS disbursed loans. Non-APSS disbursed loans are only issued when there is a power outage or system malfunction that occurs for an extended period of time. Once normal activity is possible through the System 36, County Offices must record the disbursement in APSS.

Important: Because of centralization, it will no longer be possible to issue typewritten checks in County Offices for manual payments.

B   Using the On-Line Payment (OLP) Function to Process Manual Loans

To process a manual loan, County Offices will use the OLP function in NPS. e-Funds control will be used to allot funds to State and/or County Offices, as applicable.

Manual loans shall be requested according to the following:

Step	Action
1	Requests to process a manual loan shall be submitted to the National Office. Loan documents must be completed according to 8-LP.
2	A temporary code will be created by FMD and provided to State Office specialist from the National Office. **Note:** Code will **not** be provided until a request is made.
3	e-Funds allocation will be provided to the State and/or County Office, as applicable.
4	County Offices shall establish payment request through OLP according to Notice FI-2874.
5	Payment will be certified.
6	Payment will be signed.
7	Disbursements will be certified by Accounting and a Treasury confirmation will be received.
8	A check from Treasury or ACH will be issued to the customer.
9	Loan will be entered in APSS using manual loan function according to 12-PS.

Note: The e-Funds allocation must be received in the County Office **before** the manual loan is processed through OLP.

6   Loan Corrections

A Procedure

Loan corrections will be processed in APSS, however, users must now ensure that a receivable is created in NPS **before** the loan is re-entered in APSS if the loan has been both certified and signed. State and County Offices shall use the Financial Web Applications Datamart (FWADM) in Hyperion to determine if a receivable has been established for a cancelled loan.

Note: See:

- Notice FI-2863 for instructions on requesting access to FWADM
- Notice FI-2871 for instructions on accessing receivable reports.

Correct a loan according to the following.

Step	Action
1	Cancel entire loan in APSS.
2	Identify if the receivable has been established through the FWADM Receivable Report.
3	The receivable will be established for offset in NPS.
4	Process the corrected loan in APSS, as applicable. If no action is necessary after the loan is cancelled, the offset remains in NPS until other payments for the applicable customer are used to repay receivable.
5	Payment information will be replicated from the System 36 to NPS.
6	The payment request will appear on the appropriate NPS worklist.
7	Through NPS, the payment will be offset to pay off receivable, as applicable. The payment will then be certified.
8	The payment will be routed to the "Signing" worklist to be signed.
9	If the corrected loan result is an: - overpayment, an additional disbursement shall be issued accordingly - underpayment, a demand letter shall be issued for remaining balance.

Note: It may take up to 7 days to process a loan correction as NPS and the System 36 must replicate information. This procedure shall be followed for loans that have been certified and signed only. No receivable will be established if the loan has not been certified and signed.

7   Additional Information

A   "Manual Handling" Worklist in NPS

Loan disbursements are routed directly to the NPS "Certification" worklist unless an alternate payee is designated in APSS. Currently, other APSS-generated payments, such as LDP's and additional disbursements, are being defaulted to the "Manual Handling" worklist in NPS.

Process any payment not directly routed to the NPS "Certification" worklist according to the following.

Step	Action	
1	Locate the payment in the "Manual Handling" worklist in NPS according to Notice FI-2877.	
2	Select the "alternate payee" link under the respective payment to be issued	
3	**IF on the Payment Processing - Alternate Payee Screen…**	**THEN Enter…**
	the entire payment is being sent to the producer	the producer's name and address exactly as it appears in SCIMS.
	the entire payment is authorized to a third party	the name and address of the authorized third party.
	the payment is to be issued jointly to the producer and to an authorized third party	• the names of both the producer and other party in the "Name" field **Note:** The "Name" field is limited to 35 characters. • the address of the producer.
	CLICK "Save" to route the payment for certification. **Note:** One payment will be issued per payable.	
4	The payment will be routed to the "Certification" worklist. On the Payment Certification Approval Screen, the transaction summary will show the original loan amount, the amount to be disbursed to the alternate payee (which will appear as a negative value), and the disbursement payee information ($0.00).	
5	Once the payment is reviewed, select the "Approve" radio button and CLICK "Submit".	
6	The payment will then be routed to the "Signing" worklist. Once signed, the payment will be routed to Treasury.	

Note: All payments routed through the alternate payee process in NPS will be issued by check from Treasury. If multiple payable requests are submitted to NPS for a single loan, the user must ensure that all payable requests appear in either the "Certification" or "Manual Handling" worklist before any action is processed.

Funds will **not** be transmitted by EFT if the payment is processed through the alternate payee function in NPS.

7   Additional Information (Continued)

B   Force Check Indicator

The force check indicator provides the option for a disbursement to be made out to a producer, but mailed directly to a County Office. This option will **not** be used for MAL's or LDP's.

C   CCC-1099 Reporting

As a requirement of the IRS code, CCC must annually report financial transactions.   All calendar year 2008 payments certified and signed in NPS by COB December 26, 2008, will appear on the 2008 CCC-1099. If a payment is certified and signed in NPS after December 26, 2008, it will appear on the 2009 CCC-1099. See Notice FI-2879.

D   Future Enhancements and Forthcoming Notices and Handbook Updates

Future enhancements will allow other APSS-generated payments such as corrections, transfers, additional disbursements, and LDPs to be routed directly to the "Certification" worklist as applicable. PSD will provide additional instructions as software is deployed.

Instructions for processing turn-around and FSFL's will be provided in a forthcoming notice.

All applicable handbooks will be updated accordingly.

Alternate Payee – Loan Making Scenarios

	Payment Option	Payable Request Sent	Joint Payment Indicator	User Action	Method of Funds Transfer
	NOTE: Payments can be made in a combination of the following scenarios.				
1	Single Payment issued to producer	1 Payable Request (Producer Only)	Joint Payment Indicator N	Certify and Sign through NPS	1 check: total amount issued to producer only 1 EFT : total amount issued to producer only
2	Joint Payment to Producer and Other Authorized Payee (ex. Lien Holder, contractor, etc)	1 Payable Request (Producer & Other Payee)	Joint Payment Indicator Y	Certify and Sign & free form entry of additional payee information though NPS	1 check: total amount issued to producer & other payee
3	Payment to Producer and Other Authorized Payee (less producer share	1 Payable Request (Producer Only)	Joint Payment Indicator N	Certify and Sign through NPS	1 check: reduced amount issued to producer only 1 EFT : reduced amount issued to producer only
		1 Payable Request (Producer & Other Payee)	Joint Payment Indicator Y	Certify and Sign & free form entry of additional payee information though NPS	1 check: reduced amount issued to producer & other payee 1 check: reduced amount issued to other payee only
4	Single Payment to Authorized Third Party (Not an Assignment)	1 Payable Request (Other Payee)	Joint Payment Indicator Y	Certify and Sign & free form entry of additional payee information though NPS	1 check: total amount issued to other payee only