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

For: Tobacco State and County Offices

Preparing for FY 2009 Tobacco Transition Payment Program (TTPP) Annual Payments

Approved by: Deputy Administrator, Farm Programs

1 Overview

A Background

The FY 2009 TTPP annual payment cycle is scheduled for processing on January 9, 2009. County Offices are required to ensure that contract assignments are entered according to established TTPP procedures before payment processing.

To assist users during this review, the Unpaid Contracts Report will provide users with a complete list of all contracts in "Approved" or "In-Dispute" status. The Payment (Reconciliation) Status Report provides detailed information for contract payments.

B Purpose

This notice provides:

- guidance about payment validation for the 2009 TTPP annual payment cycle
- instructions for using the Unpaid Contracts Report (Pre-Payment Report)
- instructions for the Payment (Reconciliation) Status Report.

2 Action

A County Office Action

County Offices are authorized to begin disbursing payments on January 12, 2009.

Before the later of January 12, 2009, and the date the County Office disburses payments, the County Office shall:

- follow internal controls and procedures to reasonably ensure that payments and disbursements are valid and sufficiently supported to prevent improper payments

Disposal Date	Distribution
July 1, 2009	Tobacco State Offices; State Offices relay to applicable County Offices

2   Action (Continued)

A   County Office Action (Continued)

- become familiar with TTPP automated subsidiary eligibility checks for producer contract payments

- become familiar with the Unpaid Contracts Report and the Payment (Reconciliation) Status Report

- use the Unpaid Contracts Report to validate all contracts in "Approved" and "In-Dispute" statuses

- ensure that all assignments are established at the contract level

- ensure that all assignees are loaded in the State and County Information Management System

- ensure that remaining contracts with invalid base quota levels (BQL's) or taxpayer ID numbers are placed into "In-Dispute" status

- ensure that all contracts where CCC-971 was not processed are placed into "In-Dispute" status, excluding contracts where CCC-971 was filed after November 1, 2008, that are not effective until the FY 2010 payment

- run the TTPP Selection Register Report on January 2, 2009, using a date range of last run date of the TTPP Selection Register Report to December 31, 2008, to ensure that all new approved contracts that will receive the first payment under TTPP have been reviewed before FY 2009 annual payments

   Note: The last run date and the criteria entered are printed on the TTPP Selection Register Report.

- run the TTPP Selection Register Report for the period January 2, 2009, through January 8, 2009, to ensure that all new approved contracts that will receive the first payment under TTPP have been reviewed before FY 2009 annual payments.

B   State Office Action

State Offices shall:

- ensure that County Offices follow the provisions of this notice
- contact Misty Jones at 202-720-3996 with questions about this notice.

3   Pre-Payment Procedures for 2009 Annual Payment Processing

   A   When to Place Contracts Into "In-Dispute" Status

   The following TTPP contracts **should** be updated to "In-Dispute" status before 2009 payment processing:

   - erroneous contract payments identified through CCC-770 TTPP checklist review process

   - contracts that have been paid erroneously in either 2005, 2006, 2007, or 2008 that have **not** been corrected because of software limitations

   - contracts where CCC-971 was filed by November 1, 2008, that have **not** been processed, including CCC-971's filed after November 1, 2008, because of death

   - contracts that are currently under administrative appeal.

   B   TTPP Automated Subsidiary Eligibility Checks

   During FY 2009 payment processing, TTPP will perform checks using the following criteria for producer contracts.

IF the original contract was…	THEN TTPP will…
paid in full in a prior year (2005, 2006, 2007, or 2008)	**not check** any subsidiary flags except for the "controlled substance violation" flag on the existing contract holder or the new contract holder as a result of CCC-971 transfer. Note: CCC-971 resulting producer contracts are **only** checked for "controlled substance violations" before payment.
not paid in full in a prior year (2005, 2006, 2007, or 2008)	perform a full subsidiary eligibility check on the original contract holder; however, no checks are made to new contract holders as a result of CCC-971 transfer. Note: If the transferring contract holder was partially paid or not eligible for payment at the time of transfer, CCC-971 transfer would have been denied. Partial payments can occur, for example, when 1 of the members of a general partnership has an ineligible subsidiary flag. The system would have deducted the ineligible member's share of the payment.

4   System Functionality for Reports

   A   Report Overview

      The cover page includes a legend decoding the different abbreviations used in the requested
      report.

      An Unpaid Contracts Report (see subparagraph B) is available through TTPP Reports Menu
      and will be used as a Pre-Payment Report to validate contract owners and amounts before
      payment. This report will list all contracts in either "Approved (AP)" or "In-Dispute (DI)"
      status. County Offices shall print and review this report not later than January 9, 2009. If it
      is run before January 9, 2009, the County Office shall run it again on January 9, 2009, for the
      period since the last report run date.

      The Payment (Reconciliation) Status Report (see subparagraph C) displays TTPP contracts
      as a single line item.

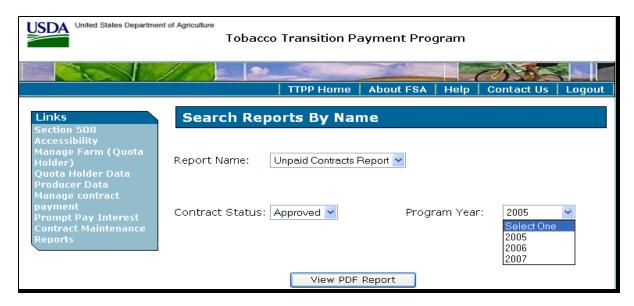   **B   Unpaid Contracts Report (Pre-Payment Report)**

      The Unpaid Contracts Report is available to users through the "Search Reports By Name"
      TTPP reports link.

4 System Functionality for Reports (Continued)

B Unpaid Contracts Report (Pre-Payment Report) (Continued)

Under the "Report Name" drop-down box, select "Unpaid Contracts Report". Under "Contract Status", select "Approved" or "In-Dispute". Under "Program Year", select "2009" and CLICK "View PDF Report."

The following is an example of the cover page, with legend, that will be displayed on each TTPP Unpaid Contracts Report request.

4 System Functionality for Reports (Continued)

B Unpaid Contracts Report (Pre-Payment Report) (Continued)

The following is an example of the TTPP Unpaid Contracts Report. The report is sorted by the last 6 digits of the contract number, then crop code.

The following is an example of the TTPP Unpaid Contracts Report summary page.

C Payment (Reconciliation) Status Report

The following is an example of the Payment (Reconciliation) Status Report cover page with legend.

4   System Functionality for Reports (Continued)

C   Payment (Reconciliation) Status Report (Continued)

The following is an example of the Payment (Reconciliation) Status Report.

Example: In this example, the user selected Approved Contracts that have failed because of an error condition. The report is sorted by the last 6 digits of the contract number, then crop code.
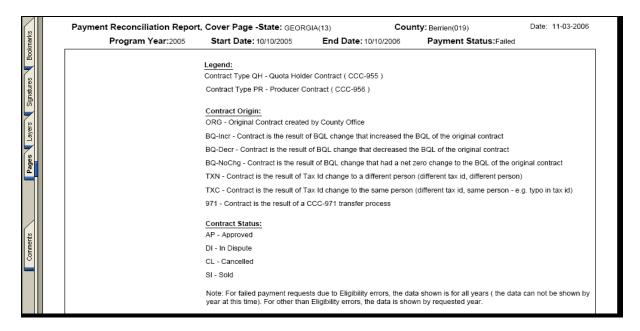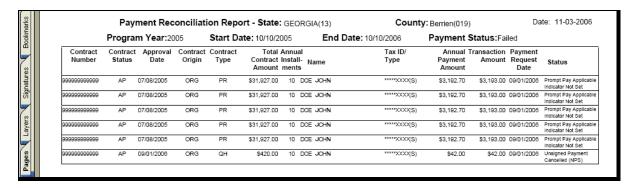
Contract Number	Contract Status	Approval Date	Contract Origin	Contract Type	Total Contract Amount	Annual Install-ments	Name	Tax ID/ Type	Annual Payment Amount	Transaction Amount	Payment Request Date	Status
99999999999	AP	07/08/2005	ORG	PR	$31,927.00	10	DOE JOHN	*****XXXX(S)	$3,192.70	$3,193.00	09/01/2006	Prompt Pay Applicable Indicator Not Set
99999999999	AP	07/08/2005	ORG	PR	$31,927.00	10	DOE JOHN	*****XXXX(S)	$3,192.70	$3,193.00	09/01/2006	Prompt Pay Applicable Indicator Not Set
99999999999	AP	07/08/2005	ORG	PR	$31,927.00	10	DOE JOHN	*****XXXX(S)	$3,192.70	$3,193.00	09/01/2006	Prompt Pay Applicable Indicator Not Set
99999999999	AP	07/08/2005	ORG	PR	$31,927.00	10	DOE JOHN	*****XXXX(S)	$3,192.70	$3,193.00	09/01/2006	Prompt Pay Applicable Indicator Not Set
99999999999	AP	07/08/2005	ORG	PR	$31,927.00	10	DOE JOHN	*****XXXX(S)	$3,192.70	$3,193.00	09/01/2006	Prompt Pay Applicable Indicator Not Set
99999999999	AP	09/01/2006	ORG	QH	$420.00	10	DOE JOHN	*****XXXX(S)	$42.00	$42.00	09/01/2006	Unsigned Payment Cancelled (NPS)

Payment Reconciliation Report - State: GEORGIA(13)   County: Berrien(019)   Date: 11-03-2006
Program Year:2005   Start Date: 10/10/2005   End Date: 10/10/2006   Payment Status:Failed

The following is an example of the TTPP Payment (Reconciliation) Status Report summary page.

Payment Reconciliation Report - State: GEORGIA(13)   County: Berrien(019)   Date: 11-02-2006
Program Year:2005   Start Date: 10/10/2005   End Date: 10/10/2006   Payment Status:Failed

Total Number of Contracts	Total Annual Payment Amount
6	$16,005.50