

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Dairy Indemnity Payment Program
3-LD (Revision 6)

Amendment 16

Approved by: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 75 C has been amended to add a note clarifying when a new CCC-770 Eligibility is required.

Subparagraph 77 A has been amended to:

- clarify spot check requirements for selecting STC, COC, and/or employees
- add a note on maintaining CCC-770 DIPP's that were spot checked by CED's.

Subparagraph 77 B has been revised to specify the frequency of STC spot checks.

Subparagraph 77 C has been amended to clarify the:

- frequency of STC spot checks
- the spot check requirements for STC, COC, and/or employees.

Subparagraph 77 D has been amended to remove the number of concurred spot checks by CED's and DD's from the National Office spot report.

Page Control Chart		
TC	Text	Exhibit
1, 2	6-7, 6-8 6-8.5 and 6-8.6 (add) 6-11 through 6-14	

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75 **Review of Payment**

A Background

The required review of all DIPP applications must be completed before issuing the payment to the producer.

B COC Action

COC shall:

- obtain DAFP or STC clearance, as applicable
- advise the applicant that payment has been computed and that the applicant may visit the County Office to review the computations.

Note: If the applicant does not want to review the computation, the County Office may continue processing the payment.

C County Office Action

County Offices shall:

- conduct a 2nd party review of all required program documents:
 - for completeness and accuracy
 - to verify all program requirements for payment are met
- complete CCC-770 DIPP according to paragraph 76
- complete CCC-770 Eligibility for each DIPP applicant according to 3-PL, paragraph 3.

***--Note:** Once CCC-770 Eligibility is completed for FY, unless there is a change in operation or eligibility status, it is **not** necessary to complete a new CCC-770 Eligibility.--*

75 Review of Payment (Continued)

D DAFP Clearance

Before making any DIPP payment to a producer or manufacturer, the County Office shall submit:

- the complete file for the first FSA-373 filed for each contamination, by each producer, to DAFP for clearance

Notes: Submit through the State Office.

Additional FSA-373's filed for the same contamination period are not required to be submitted to DAFP, but they must be submitted to STC for review before requesting allocation of funds according to paragraph 86.

- any FSA-373 that STC believes requires review to DAFP.

76 CCC-770 DIPP**A Background**

County Offices have come under close scrutiny because of audits and reviews:

- performed externally by Price-Waterhouse
- done internally by CORP checking improper payments.

The National Office was mandated to assemble a checklist to assist County Offices with issuing a proper payment to the intended recipient. The checklist is CCC-770 DIPP.

B General Information

It is not the intent of CCC-770 DIPP to supersede or replace procedure. County Offices should:

- use CCC-770 DIPP as a reminder of the most frequently “erred” actions when completing DIPP application packages for approval and payment
- recognize that the questions asked on CCC-770 DIPP are very general in nature
- note that CCC-770 DIPP to address every conceivable situation about program eligibility would not be practical.

C Using CCC-770 DIPP

CCC-770 DIPP was developed by the National Office and is the **only** authorized checklist for DIPP. County Offices shall not use State- or locally-generated checklists for DIPP.

County Offices shall:

- complete one CCC-770 DIPP for each applicant competing FSA-373
- see subparagraph D for instructions on completing CCC-770 DIPP
- maintain CCC-770 DIPP with each FSA-373.

Note: Using CCC-770 DIPP before payments are issued to a DIPP applicant is **mandatory**.

*--76 CCC-770 DIPP (Continued)

E Example of CCC-770 DIPP (Continued)

CCC-770 DIPP (12-13-06)		Page 2			
9. PAYMENT PROCESSING:	Handbook or Other Applicable References	YES	NO	Initials	Date Completed
A. Have you ensured to the best of your knowledge, that the data serving as a basis for computing payments is reliable and reasonable?	3-LD, subparagraph 73A				
B. Has the DIPP payment been properly computed?	3-LD, subparagraph 74A				
C. Has the FSA-373 and all required program documents been photocopied and forwarded to PSD for approval through the State Office?	3-LD, subparagraphs 12C, 44C, and 75C				
D. Has DAFP approval of applicant's payment allocation been obtained?	3-LD, paragraph 75				
E. Has payment been issued using program code "xxMIPP", with "XX" representing the last two digits of the FY in which the payment is being made?	1-FI and 3-LD, paragraph 88				
F. Has one copy of the FSA-373 been provided to the State Office after payment was issued?	3-LD, paragraph 88				
G. Was a second party review completed before payment was issued?	3-LD, subparagraph 75C				
10. Remarks:					
CERTIFICATION:					
<i>I (we) the undersigned certify the above items have been verified or updated accordingly.</i>					
11A. Signature of Preparer(s)				11B. Date (MM-DD-YYYY)	
12A. I concur/do not concur the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur					
12B. CED Signature for Spotcheck				12C. Date (MM-DD-YYYY)	
13A. I concur/do not concur the above items have been verified or updated accordingly. <input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur					
13B. DD Signature for Spotcheck				13C. Date (MM-DD-YYYY)	

--*

77 CCC-770 DIPP Spot Checks

A CED Spot Check Selection

CCC-770 DIPP's certified by a preparer must be spot checked by CED or their designated representative on a FY quarterly basis. CED or designee shall:

- *--use APSS to print a quarterly spot check register of producers receiving DIPP benefits during an applicable FY quarter
- at a minimum, spot check the following preparer certified CCC-770 DIPP's every FY quarter in each Service Center:--*
 - five CCC-770 DIPP's if 10 or less preparer certified CCC-770 DIPP's have been completed
 - ten CCC-770 DIPP's if 11 through 1,000 preparer certified CCC-770 DIPP's have been completed
 - twenty CCC-770 DIPP's if more than a 1,000 preparer certified CCC-770 DIPP's have been completed
- *--randomly select applicants for the required number of spot checks from the APSS system-generated report of DIPP payments issued during a FY for each quarter as--* follows:
 - October through December
 - January through March
 - April through June
 - July through September
- *--randomly spot check up to 5 CCC-770 DIPP's for each FSA employee (including STC's and COC's) for the FY in each Service Center

Note: Spot checks of STC, COC, and/or employees are in addition to the 5, 10, or 20, required for the FY quarter.--*

 - certify spot check on CCC-770 DIPP, item 12 according to instructions provided in subparagraph 76 D
 - report to COC and the STC representative any CCC-770 DIPP that is checked "Do Not Concur".

*--**Note:** CED's are encouraged to copy and file, by program, all CCC-770 DIPP's that were spot checked by CED.--*

77 CCC-770 DIPP Spot Checks (Continued)

B State Office Spot Check Selection

The State Office shall select the following for spot check by STC or their representative, at a minimum, every FY quarter in each Service Center:--*

- three CCC-770 DIPP's if 10 or less CCC-770 DIPP's have been completed
- five CCC-770 DIPP's if 11 through 1,000 CCC-770 DIPP's have been completed
- ten CCC-770 DIPP's if more than 1,000 CCC-770 DIPP's have been completed.

C STC or Designee Spot Checks

CCC-770 DIPP's certified by a preparer must be spot checked by STC or their designated representative on a FY quarterly basis. STC or designee shall:--*

- spot check CCC-770 DIPP's selected by the State Office according to subparagraph B
- spot check, at a minimum, 50 percent of CED's spot checks in subparagraph A
- randomly spot up to 5 CCC-770 DIPP's for each FSA employee (including STC's and COC's) for the FY in each Service Center

Note: Spot checks of STC, COC, and/or employees are in addition to the 50 percent of CED's spot checks.--*

- certify completed spot checks on CCC-770 DIPP, item 13 according to instructions in subparagraph 76 D
- submit the results of the spot check to SED.

--Note: DD or State Office representative shall use the County Office spot check register and method provided in subparagraph A to select the appropriate number of State Office required spot checks.--*

77 CCC-770 DIPP Spot Checks (Continued)

D National Office Report

At the end of FY, State Offices shall compile a report of spot check results from each quarter for submission to the National Office. Each report must be categorized by the following:

- quarter
- county
- number of FSA-373's completed in the County Office
- number of CCC-770 DIPP's:
 - selected for spot check by CED
* * *
 - *--selected for spot check by DD or designee
 - concurred by DD or designee
 - not concurred by DD or designee.--*

Reports of results are due to PSD no later than October 31 of each year. Reports must be *--submitted to the attention of DIPP by email to psd@wdc.usda.gov.--*

78-84 (Reserved)