

For: State and County Offices

2012 Compliance Reviews and Spot Checks

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

To ensure the accuracy of payments and integrity of FSA programs, County Offices are required to conduct compliance reviews and spot checks for producers selected for review through the National Compliance Review and Spot Check process.

The National Office has made its selection of producers for 2012 Compliance Review and Spot Check.

B Purpose

This notice informs State and County Offices of the following:

- the web site address to view and print the list of producers selected for the 2012 compliance reviews and spot checks
- additional guidance for performing 2012 compliance activities, including the following:
 - new programs included in the national compliance review process for 2012
 - questions to document during compliance reviews and spot checks
 - recording 2012 spot check results in National Compliance Review Database.

Disposal Date	Distribution
December 1, 2012	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

C 2012 Producer Selection List

The list of producers selected for 2012 compliance reviews and spot checks is available on the Intranet at <http://fsaintranet.sc.egov.usda.gov/ffas/farmbill/ccc/default.htm>.

The 2012 producer list is broken down by State and county. Under each county, the following information will be displayed:

- producer's first and last name and/or business name
- TIN type ("E", entity or "S", Social Security).

Producers will be listed in every State/county in which they are participating. County Offices shall perform compliance reviews and spot checks on all producers listed in their county throughout the year for all applicable programs and activities.

2 Additional Guidance for Performing 2012 Compliance Activities

A Programs/Activities Included in the 2012 Compliance Review Process

The following is an updated list of programs/activities included in the compliance review process:

- ALAP
- ACRE
- **BCAP**
- CRP maintenance and practice checks
- DCP
- ELAP
- FSA-578's
- HELC/WC compliance
- LDP's/MAL's
- LFP/LIP
- MILC
- NAP (approved yield and general)
- **Reimbursement Transportation Cost Payment Program (RTCP)**
- SURE
- TAP
- **Trade Adjustment Assistance for Farmers (TAAF).**

Note: Programs in **bold** have been added for 2012.

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2 Additional Guidance for Performing 2012 Compliance Activities (Continued)

B Performing 2012 Compliance Reviews and Spot Checks

County Offices shall follow procedure in 2-CP, Part 3, Section 2.5 when performing compliance reviews and spot checks for programs in subparagraph A. See 2-CP, paragraphs 350 through 357.10 for questions to document during compliance reviews.

Questions for the programs added to the national compliance review process in 2012 (BCAP, RTCP, and TAAF) are in **Exhibit 1** and will be incorporated in 2-CP in a future amendment.

When conducting compliance reviews and spot checks, County Offices shall check:

- for FSA-578 spot checks, the current year FSA-578, as well as any prior year FSA-578 that has been revised since the last spot check list, dated May 9, 2011
- for all other programs, any application/contract that has been approved for payment since the last spot check list, dated May 9, 2011.

Note: See Notice AO-1540 for suggested cost saving efforts when travel funds are not available to conduct 2012 Compliance Reviews and Spot Checks.

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2 Additional Guidance for Performing 2012 Compliance Activities (Continued)

C Recording 2012 Compliance Review Findings

County Offices shall record findings from 2012 Compliance Reviews and Spot Checks in the national compliance review database. Because of modifications, the database is **not** available to load 2012 results. Until further notice, County Offices shall maintain written documentation of all 2012 Compliance Review and Spot Check results in the County Office.

The National Office will issue a notice:

- informing State and County Offices when the national compliance review database is available for entering 2012 data
- providing survey codes that must be entered for each producer to record 2012 compliance review data.

D Contact Information

For questions about this notice:

- County Offices shall contact State Office Compliance Specialists
- State Offices shall contact Melonie Sullivan by either of the following:
 - e-mail at melonie.sullivan@wdc.usda.gov
 - telephone at 202-690-1003.

Compliance Review Questions for BCAP, RTFP, and TAAF

A BCAP Compliance Review Questions

County Offices shall conduct BCAP compliance reviews for all producers selected for compliance review and spot check that participated in the program. County Offices shall document the following questions during BCAP reviews. Findings shall be loaded in the national compliance review database.

	Question
1	Fiscal Year. Enter applicable FY.
2	Was a valid signature obtained on BCAP-24? ENTER “Yes” or “No”.
3	Was BCAP-24 received during the applicable application period? ENTER “Yes” or “No”.
4	Was BCAP-24 approved by COC or designee? ENTER “Yes” or “No”.
5	Was each eligible tract of land entered with the appropriate weighted soil rental rate on BCAP-23? ENTER “Yes” or “No”.
6	Was a conservation plan completed before the BCAP-24 contract anniversary date, which is the effective date? ENTER “Yes” or “No”.
7	<p>In the case of perennial crops, was FSA-848A for request for cost-share or establishment payments, reviewed and signed by participant and COC or designee? ENTER “Yes” or “No”.</p> <p>If “Yes”:</p> <ul style="list-style-type: none"> • has an FSA-848B been processed for cost-share performance certification and reimbursement? ENTER “Yes” or “No”. • in the case where FSA-848B has been processed for cost-share performance certification and reimbursement, was the reimbursement calculated at a rate of up to 75 percent of the establishment costs or the established not-to-exceed rate for the project area? ENTER “Yes” or “No”.
8	<p>Did applicant meet the definition of a producer according to 7 CFR Part 1450, Section 1450.2, <i>Definitions</i>? ENTER “Yes” or “No”.</p> <p>If “Yes”, was the producer’s land within the applicable geographic boundary of a BCAP project area? ENTER “Yes” or “No”.</p>
9	<p>Did the enrolled land meet all land eligibility criteria according to 7 CFR Part 1450, Section 1450.204, <i>Land Eligibility</i>?</p> <p>If “Yes”, was AD-1026 form completed, if applicable? ENTER “Yes” or “No”.</p>

Compliance Review Questions for BCAP, RTFP, and TAAF (Continued)

A BCAP Compliance Review Questions (Continued)

	Question
10	<p>Did the applicant file FSA-578 for reported acreage? ENTER “Yes” or “No”.</p> <p>If:</p> <ul style="list-style-type: none"> • “Yes”, did contract acreage reported on the BCAP-24 contract match the reporting acreage on FSA-578? ENTER “Yes” or “No” • “No”, is the BCAP-24 contract still active? ENTER “Yes” or “No”.
11	<p>Was an eligible crop established for the applicable project area? ENTER “Yes” or “No”.</p> <p>If:</p> <ul style="list-style-type: none"> • “Yes”: <ul style="list-style-type: none"> • was the crop an annual crop? ENTER “Yes” or “No” • was the crop an herbaceous perennial crop? ENTER “Yes” or “No” • was the crop a woody perennial crop? ENTER “Yes” or “No” • “No”: <ul style="list-style-type: none"> • was the crop establishment delayed with approval by COC? ENTER “Yes” or “No” • was the reported crop established or not established as a preventive planting, meaning the crop was or was not established instead of the eligible crop because the environmental conditions were not considered able to support the eligible crop? ENTER “Yes” or “No”.

Compliance Review Questions for BCAP, RTFP, and TAAF (Continued)

A BCAP Compliance Review Questions (Continued)

	Question
12	<p>Did the applicant file documentation reporting a harvest and collection? ENTER “Yes” or “No”.</p> <p>If “Yes”:</p> <ul style="list-style-type: none"> • was a payment reduction applied to the annual rental payment? ENTER “Yes” or “No” • was the applied payment reduction the appropriate percentage value of the revenue generated from the collection/harvest according to 7 CFR Part 1450, Section 1450.214, <i>Annual Payments</i>? ENTER “Yes” or “No” • Did documentation provide a value for the eligible material that was harvested or collected? ENTER “Yes” or “No” • Did the value for the harvest/collected eligible material include storage and transportation costs incurred by the producer? ENTER “Yes” or “No” • Was there a crop failure because of reasons beyond the producer’s control? ENTER “Yes” or “No”.
13	<p>Did any discrepancy result in a refund of BCAP benefits? ENTER “Yes” or “No”.</p> <p>If “Yes”, enter requested refund amount. Enter dollar (\$) amount.</p>

Compliance Review Questions for BCAP, RTFP, and TAAF (Continued)

B RTCP Compliance Review Questions

County Offices shall conduct RTCP compliance reviews for all producers selected for compliance review and spot check that participated in the program. County Offices shall document the following questions during RTCP reviews. Findings shall be loaded in the national compliance review database.

	Question
1	Fiscal Year. Enter applicable FY.
2	Was a valid signature obtained on FSA-218? ENTER “Yes” or “No”.
3	Was FSA-218 received during the applicable application period? ENTER “Yes” or “No”.
4	Did applicant meet the definition of a geographically disadvantaged farmer or rancher? ENTER “Yes” or “No”.
5	Did the applicant meet all eligibility criteria and submit required forms? ENTER “Yes” or “No”.
6	Did the applicants’ verifiable records support applicable actual, fixed, and/or set transportation costs claimed on FSA-218? ENTER “Yes” or “No”.
7	Was each eligible commodity and/or input entered under the appropriate transportation cost category (i.e., actual rate, fixed rate, set rate) on FSA-218? ENTER “Yes” or “No”.
8	Did the applicant submit all supporting documentation by the appropriate deadline? ENTER “Yes” or “No”.
9	Was FSA-218, reviewed and signed by a second-party? ENTER “Yes” or “No”.
10	Was FSA-218 approved by COC or designee? ENTER “Yes” or “No”.
11	Was each eligible commodity and/or input entered with the appropriate rate (i.e., actual, fixed, set) on FSA-218-1? ENTER “Yes” or “No”.
12	Was FSA-218-1 reviewed and signed by a second party? ENTER “Yes” or “No”.
13	Did any discrepancy result in a refund of RTCP benefits? ENTER “Yes” or “No”. If “Yes”, enter requested refund amount. Enter dollar (\$) amount.

Compliance Review Questions for BCAP, RTFP, and TAAF (Continued)

C TAAF Compliance Review Questions

County Offices shall conduct TAAF compliance reviews for all producers selected for compliance review and spot check that participated in the program. County Offices shall document the following questions during TAAF reviews. Findings shall be loaded in the national compliance review database.

	Question
1	Petition number for applicable commodity. Enter petition number.
2	Application number of producer spot checked. Enter application number.
3	Was a valid signature obtained on FSA-229-1? ENTER “Yes” or “No”.
4	Was FSA-229-1 received during the applicable application period? ENTER “Yes” or “No”.
4a	If “No”, was equitable relief granted for this applicant by FAS or was the application overturned on appeal by FAS? ENTER “Yes” or “No”.
5	Did the applicant provide documentation of production showing that they produced the petition commodity in the petition marketing year? ENTER “Yes” or “No”.
6	Did the applicant provide documentation that they produced the petition commodity in 1 of the 3 years before the petition marketing year? ENTER “Yes” or “No”.
7	Did the applicant meet all eligibility criteria? ENTER “Yes” or “No”.
7a	If “No”, was the applicant granted equitable relief by FAS or was the application overturned on appeal by FAS? ENTER “Yes” or “No”.
8	Did the applicant provide acceptable documentation to support their certification under option 1, 2, or 3? ENTER “Yes” or “No”.
8a	If “No”, was a blanket-approval granted by FAS for the applicable county/State? ENTER “Yes” or “No”.
9	Was FSA-229-1 reviewed and signed by a second party? ENTER “Yes” or “No”.
10	<p>Did applicant submit an optional claim, FSA-232, for reimbursement of travel expenses? ENTER “Yes” or “No”.</p> <p>If “Yes”:</p> <ul style="list-style-type: none"> • was FSA-232 validated by training instructor, for expenses related to initial orientation training attendance? ENTER “Yes” or “No” • was mileage claimed determined reasonable and within Federal limits? ENTER “Yes” or “No” • did receipts for lodging expenses or travel by public conveyance support the reimbursement amount claimed by the applicant? ENTER “Yes” or “No” • was FSA-232 reviewed and signed by a second party? ENTER “Yes” or “No”.