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

For: Tobacco State and County Offices

**Instructions for Voluntary Terminations (VT's), Involuntary
Terminations (IT's), and Voluntary Cancellations (VC's) of Tobacco
Transition Payment Program (TTPP) Contracts and Report Selection Capabilities**

Approved by: Acting Deputy Administrator, Farm Programs

1 Overview

A Background

Notice TB-1230:

- provided instructions for entering VT's, IT's, and VC's

- **incorrectly** stated that BQL's from VC contracts will be made available for future contracts.

  Note: This notice corrects the instruction for VC's provided in TB-1230.

Since the release of the associated software:

- the VC function has been used incorrectly on several contracts

- several questions have been received by the National Tobacco Processing Center (NTPC) and the technical staff in Kansas City.

This notice has been updated to correct these instructions. Users shall review this notice carefully to ensure that contracts are processed correctly. Forthcoming software will provide further confirmation of the action being taken and the resulting impact to the contract by providing additional messages.

Disposal Date	Distribution
December 1, 2007	Tobacco State Offices; State Offices relay to applicable County Offices

1   Overview (Continued)

A   Background (Continued)

TTPP software:

- allows Service Center users to modify base quota level (BQL) shares paid erroneously; generating an underpayment or overpayment transaction for each year the shares were paid

- does **not** allow BQL's to be reduced to zero to make them available for other contracts

  Note: It is necessary to be able to identify and track contracts that have been terminated at the request of the contract owner or because of TTPP requirement violations.

- "Cancel Contract" option is used to manage owner requested and violation cancellations.

  Notes: "Cancel Contract" option deletes the contract and renders it unavailable in search results. TTPP software has been modified to allow Service Center users to enter:

  - IT's using the BQL Correction process in Contract Maintenance

  - VC's using the Update Contract process in Quota Holder Data or Producer Data Maintenance.

  Contracts:

  - will be updated with a terminated or canceled status and remain available in search results and reports

  - resulting from a CCC-971 transaction will **not** be allowed to change to zero BQL at this time; this will be addressed with a future modification.

B   Purpose

This notice:

- provides instructions about:

  - VT's
  - IT's
  - VC's
  - TTPP reports

- obsoletes Notice TB-1230.

2   Action

A   County Office Action

County Offices shall:

- become familiar with new TTPP software that allows modifications to BQL's associated with unsold paid contracts

- become familiar with all new TTPP reports

- take action to correct contracts that require termination or cancellation

- obtain State Office approval for adjustments to the total farm BQL

- obtain State Office approval before processing an IT.

B   State Office Action

State Offices shall:

- become familiar with the new TTPP software

- ensure that County Offices follow the provisions in this notice

- review and concur on all involuntary terminations before the County Office terminates the contract

- notify DAFP of contract terminated through IT's

- contact Michele Corcoran at 800-673-2331 with questions about this notice.

3   General Information – VT's, IT's, and VC's

A   Overview

It is **important** to understand how the system will process contracts requiring VT's and IT's or VC's:

- VT's and IT's will be created using BQL Correction software
- VC's will be entered using Quota Holder Data or Producer Data Maintenance software.

Note: Once a contact has been voluntary/involuntary terminated or voluntarily canceled, the status **cannot** be changed. BQL's on VT or IT contracts will be made available for future contracts. BQL's on VC contracts will **not** be available for future contracts.

3   General Information – VT's, IT's, and VC's (Continued)

A   Overview (Continued)

If it is determined that contracts were erroneously paid because of incorrect BQL's, users will continue to have the ability to access the approved contracts and adjust BQL values. See Notice TB-1231.

When Quota Holder Data or Producer Data Maintenance is used to change the status of a contract to VC, all future payments to the contract will be stopped. Receivables will **not** be created for any past payments to the contract. Once a contract owner voluntarily cancels a contract they should **not** be allowed to sign up for the same BQL at a later date. If a contract holder wants to voluntarily cancel their contract and return past payments, the Service Center user **must** use VT. The contract holder **must** request a VC or VT **in writing**. The County Office **must** attach the request to the original contract.

If the County Office believes a contract holder has misrepresented a fact affecting program determination or adopted a scheme or device to defeat the purpose of the program, the County Office should use IT. The following table provides additional detail.

Notes: When BQL changes for VT's or IT's are made and confirmed, TTPP will cancel the original contract and create a replacement contract. Both the original and replacement contracts will be displayed on the BQL Correction Update Successful Screen. The original contract will now be in canceled (CL) status and the new resulting contract will be in VT or IT status.

No new CCC-955/CCC-956's will be printed or signed by contract holders. All appeal rights **must** have been exhausted before a termination being processed.

When a contract is involuntarily terminated, the County Office **must** notify the State Office for concurrence **before** processing the termination. The State Office **must** inform DAFP of the contract termination.

3   General Information – VT's, IT's, and VC's (Continued)

A   Overview (Continued)

Action	Situation	Contract Status	Receivable
Voluntary Cancellation	Contract holder does **not** want to receive any future payments and requests their contract be canceled.	VC	No overpayment requests will be created.
Voluntary Termination	Contract holder does **not** want to receive any future payments and is returning all payments received.	VT	TTPP will create an overpayment request for each payment received by the contract holder on the contract being terminated.
Involuntary Termination	Contract holder has: • erroneously represented a fact affecting a program determination • adopted a scheme or devices that tends to defeat the purpose of the program • made any fraudulent representations affecting a program determination.	IT	TTPP will create an overpayment request for each payment received by the contract holder on the contract being terminated. All TTPP contracts for the contract holder will be terminated and all monies received must be refunded. Contracts that have been sold will require the original contract holder to refund the entire contract value for all contracts.

B   Contract Status for VT's, IT's, and VC's

Only contracts in **approved** (AP) or **in-dispute** (DI) statuses can be terminated or canceled.

Note: Sold contracts are permanently locked. A forthcoming notice will provide instructions.

3   General Information – VT's, IT's, and VC's (Continued)

C   Overpayment Processing

To ensure that overpayments (receivables) are processed in a timely fashion so they may be applied against future payments, the County Office should be aware of certain system requirements, see Notice **FI-2762**.

Since TTPP is a web-based system, an overpayment (receivable) generated from a modified TTPP contract will be transmitted back to the originating County Office. National Payment Services (NPS) uses a debt datamart to find and display receivable information. Overpayment information is transmitted by the originating County Office to NPS's datamart during end-of-day processing. To ensure that all outstanding TTPP receivables are accessible to NPS, ensure that end-of-day processing is performed **daily**.

D   Processing Treasury Checks Returned to the County Office

Deface the Treasury check by stamping or writing the words "**Void**" or "**Canceled**" across the face of the check and return the Treasury check to the following address:

   NFC
   PO Box 34668-1068
   Kansas City MO 64116-1068.

E   Report Request Menu

The individual reports are available through a "Reports" link. The reports link will access a Report Selection Criteria Menu that will provide the users with a wide report selection.

4   System Functionality

A   VC's

This is an example of the TTPP View Contract Results Screen. Service Center users may arrive at this screen from various screens depending on the contract type and the search criteria selected. The following example is of a Quota Holder Contract. The same process and screens will allow the user to cancel a Producer Contract.

To begin the Voluntary Cancellation Process the user will CLICK "**Update**" to view the Update Contract screen.

4 System Functionality (Continued)

A VC's (Continued)

This is an example of the Update Contract Screen. The user will select "Voluntary Cancellation" from the Contract Status drop-down box and CLICK "**Submit**."

TTPP will update the status of the contract to VC.

Note: BQL will not be available for future contracts. TTPP will not create receivables for any payments on the contract. If the contract owner wants to return payments, receivables **must** be created manually.

4   System Functionality (Continued)

   A   VC's (Continued)

        This is an example of the Update Contract – Results Screen that will be displayed with a
        message that the contract was successfully updated. The user may click the contract number
        link to view the details of the contract and review the contract status.

4   System Functionality (Continued)

B   VT and IT Process

This is an example of the TTPP Homepage. To begin the BQL correction process, users will
CLICK "Contract Maintenance" in the Links box.

Contracts to be modified:

- must be in AP or DI status
- cannot have an assignment against the contract
- cannot be the result of CCC-971.

Note: Because CCC-959 assignments are contract specific, users **must** take the following
        steps, according to 63-FI, before the contract can to be modified.

Step	Action
1	Require the assignee to revoke CCC-959.
2	Cancel the assignment attached to the contract to be corrected.
3	Access TTPP and modify the contract BQL according to procedures outlined in this notice; canceling the original contract and creating a new resulting contract.

4   System Functionality (Continued)

   B   VT and IT Process (Continued)

This is an example of the Contract Maintenance Screen. Users will CLICK "**BQL Correction**."

4   System Functionality (Continued)

B   VT and IT Process (Continued)

This is an example of the BQL Correction Screen. Users will enter the contract number to be terminated and CLICK "**Continue**".

Note: "Submit" will be displayed when users CLICK "Continue".

Possible error messages:

- "Valid Contract Number is required"
- "There are assignments, claims, or receivables against the contract XXXXXX"
- "The payment was not found for contract XXXXXX"
- "The Overpayment was not found for contract XXXXXX"
- "Pending Contract is not from BQL change"
- "Overpayment is unprocessed or payment is not signed in NPS for contract: XXXXXX"
- "NPS error for contract XXXXXX"
- "No Contract data found for contract number: XXXXXX"
- "Contract status is not in AP or DI"
- "Contract is sold"
- "Contract is from 971".

   Note: CCC-971 resulting contract BQL **cannot** be modified.

4   System Functionality (Continued)

B   VT and IT Process (Continued)

This screen will be displayed with the total tract BQL originally available, the amount of unclaimed BQL, and the current contract BQL.

4   System Functionality (Continued)

B   VT and IT Process (Continued)

This is an example of the user modifying the new contract BQL from 107 pounds to zero pounds. When the new BQL is entered, CLICK "**Submit**". Users must ENTER "**0**" for the new contract BQL to terminate the contract.

Possible error messages:

- "New BQL exceed the available BQL"
- "For input string: "64d90" is not a valid BQL value".

4   System Functionality (Continued)

B   VT and IT Process (Continued)

When users CLICK "**Submit**" on the screen displayed on page 14, this Summary Screen will be displayed. This screen informs the user that a receivable will be created before the database is updated. When the zero BQL has been verified, the user **must** CLICK "**Continue**".

Note: The screen also displays a message informing the user to use the Quota Holder Data or Producer Data Screen to set the contract to VC status if no payments are to be recovered. See subparagraph A for instructions on processing VC's.

4   System Functionality (Continued)

B   VT and IT Process (Continued)

When users CLICK "**Continue**" on the screen displayed on page 15, this Summary Screen will be displayed. This screen requires users to CLICK the radio box next to either of the following:

- "Voluntary Termination"
- "Involuntary Termination".

When BQL has been verified, CLICK "**Submit**".

4   System Functionality (Continued)

   B   VT and IT Process (Continued)

When users CLICK "**Submit**" on the screen displayed on page 16, this Confirmation Screen will be displayed. When all information has been verified, CLICK "**Confirm**".

Since this adjustment reduces BQL, the system will generate an overpayment request (receivable) against each payment made against the contract when the termination is confirmed.

4   System Functionality (Continued)

B   VT and IT Process (Continued)

This is an example of the BQL Correction Update Successfully Screen. TTPP software canceled (CL) the original contract and issued the voluntarily terminated contract as a replacement with a zero BQL. Users can click on the contract number of the selected Tax ID to view contract details.

C   TTPP Reports

This is an example of the new Report Selection Criteria Screen that will be displayed after users CLICK "**Reports**" under the Links on the TTPP Main Menu.

4   System Functionality (Continued)

C   TTPP Reports (Continued)

This is an example of the Search Reports by Name Screen. When conducting a Report Search by Name, reports by Farm, Tract, Contract Maintenance, or Contract Payment are available.

This is an example of a report request by name for farm number 66.

4   System Functionality (Continued)

C   TTPP Reports (Continued)

This is an example of the report results for farm number 0000066.

Note: The last contract displayed has a Contract Status of "Voluntary Cancellation."

This is an example of a report request by tract.

This is an example of the Contract Payment Report. The Contract Type code will be displayed on this report.