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Date: May 2, 2007

WASHINGTON BULLETIN WA300-7-12

SUBJECT: LTP - Program Eligibility Problems with FY 2007 Applications and Prior Year Contracts

Purpose. To explain Program Eligibility Problems in Protracts

Expiration Date. September 30, 2007

Actions Required and Deadlines

1. Review eligibility for each FY07 program application prior to approval or obligation to insure that AD-1026 eligibility is showing in Protracts as "Certified."
Deadline - Initiate this process immediately
2. Review all existing contracts to insure participants are currently eligible using Fund Manager Eligibility reports.
Deadline - Complete reviews and send needed letters by June 1.
3. Terminate contracts and seek repayment for participants who are verified as not eligible.
Deadline - Take action when identified

References: National Bulletins 440-7-10 and 440-7-12

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Action 1 Details

There is currently a problem with the way ProTracts is reading information from the FSA web service. Some participants are being listed as "Eligible" for HELC/WC even though the FSA web service shows the participant as "Not Filed" for the AD-1026. NRCS must not obligate new program contracts to participants who have not filed an AD-1026 for the current fiscal year. Unfortunately, ProTracts is not blocking approval or obligation based on an AD-1026 showing as "Not Filed."

The District Conservationist must verify that the AD-1026 eligibility shows as "Certified" for each participant who will be receiving a share on the contract, before changing the status of any program application to Approved.

The Area Conservationist (Contracting Officer) must verify that the AD-1026 eligibility shows as "Certified" for each participant who will be receiving a share on the contract before obligating any program contract.

To verify the eligibility, access the "View Eligibility" option in the participant information in ProTracts. Update Eligibility if needed. Verify that the applicant(s) eligibility flags for the AD-1026 show as "Certified". If an applicant's AD-1026 eligibility shows as "Not Filed", you should verify this information with your local FSA office. You can view the participant's Eligibility and Subsidiary Print reports on the FSA's Subsidiary Eligibility web application at: <https://indianocean.sc.egov.usda.gov/Subsidiary/Subsidiary.do> You should also verify directly with your local FSA office.

If any participant, or member if required by ProTracts business rules, has Not Filed an AD-1026, immediately send the attached applicant eligibility certification letter. If you have verified, via the above steps, that the participant is showing as "Certified" for the AD-1026 on FSA's eligibility records, but the AD-1026 is still showing as "Not Filed" after your run Update Eligibility in ProTracts, obtain a copy of the MABDIG report from the FSA, then contact your Area Program Liaison for assistance.

Action 2 Details

Currently ProTracts is using FY 2006 FSA eligibility data. Beginning June 1, 2007, ProTracts will begin using the 2007 FSA eligibility data. NRCS must verify FY 2007 eligibility for all existing contracts where payments have been made in FY 2007, and where payments are scheduled to be paid in 2007 or future years. There is potential for the having AD-1026 eligibility issues as described above for participants with existing contracts. NRCS must not issue program payments to a participant who has not filed an AD-1026.

District Conservationists will review eligibility using the Fund Manager report titled "Applications and Contracts with Eligibility Problems" which is located under the "View Data" link. Enter the appropriate search criteria for your local contracts, and run the "AD-1026 Eligibility Not Filed or No" report. NRCS will verify with the local FSA office the AD-1026 status of any contracts appearing on this report.

If any participant is not eligible or has not filed an AD-1026, immediately send the attached applicant eligibility certification letter. If you have verified that the participant is showing as "Certified" for the AD-1026 on FSA's eligibility records, but the AD-1026 is still showing as "Not Filed" or "No" in Fund Manager, , obtain a copy of the MABDIG report from the FSA, then contact your Area Program Liaison for assistance.

From now through June 1, use the Fund Manager report to verify if the participant is certified for AD-1026 and eligible prior to approving any payments. Do not rely on the ProTracts "View Eligibility" data. After June 1, a warning message will be deployed in ProTracts that will notify the user if a participant has Not Filed an AD-1026. However, ProTracts will not block approval of the payment, so there is a potential of issuing an improper payment. Blocking is not expected to be in place in ProTracts until after October 1, 2007.

If you need any assistance in using the available web tools to verify eligibility information, contact your Area Program Liaison. If you find that the FSA has entered eligibility data and Protracts is not updating participant's records correctly, forward these problems to your Area Program Liaison for assistance.

Action 3 Details

In cases where a participant files an AD-1026 and it is verified that they are ineligible based on the information submitted, NRCS must proceed with contract termination and repayment. If any of these cases arise, please forward information to your Program Liaison immediately for assistance in termination and recovery procedures.

If you have questions on any of these actions, please contact your Area Program Liaison.

R. L. "GUS" HUGHBANKS
State Conservationist