

Program Review Meeting Summary-September 12, 2007

Contracts and Payments issues were a major discussion focus at the meeting. Attending were two DC's from each area, CIT Leaders, RMS', APS', SO technology staff, And SO Program staff.

Major Issues and Leadership Responses:

Issue- Why is the 1199, financial institution information, required when they sign the application and not when the contract is approved? This is the most sensitive information requested.

Response- It was thought this was a good time to get all the needed information for the contract while the producer was in the office. We had planned to change this requirement, but it has been discovered that an program application can not be processed through ProTracts without the 1199 information.

Issue-Can the obligation of TA funds in contracts be done at the time of initiating the contract?

In one area, over 80 % of the 07 modifications were required because of the need to add TA dollars.

Response-The delay in FY 2007 was the consideration of using some of our TSP funds to balance our budget. Shannon Zezula had a very accurate TSP budget prepared early in the FY which would have allowed us to obligate TA funds. The Leadership Team made the decision in the first week of FY-08 to make approximately \$ 350,000 TA funds available at the time of developing the contract for FY08.

Issue-Signature authority seems to be a moving target. What is acceptable? We started out with FSA 211. Now we need Article of Incorporation. Why can't a spouse sign for producer? What is acceptable for POA?

Response- Policy in the contract manual requires specific documentation. The FSA 211 is sometimes very old and out of date. FSA is in the process of changing their procedure. National policy requires the current form for a POA. A spouse can sign providing they are authorized by a POA. In today climate, we can not assume all spouses and family members get along and agree with legal commitments.

POA's need to be signed and submitted to us before a legal document is signed by a POA.

Training will be provided in 08 to better identify acceptable signature documents.

Issue-Why do we have to send in the 1202 & 1156 each time we send in a payment? The scanning of support documents requires a lot of the field's time.

Response-Programs staff and the administrative staff have agreed to change this requirement. The 1202 and 1156 will only have to be sent in with the initial payment documentation. The Payment check list will be modified to reflect this.

Issue-Cost data documentation: Why do we need to continue collecting and reviewing bills, when we are using average costs and payment schedules in the future? Again the time to scan bills is very time consuming.

Response-We feel the producer's bills provide one of our best sources of cost data to develop average cost and payment schedules. We still are servicing older contracts that have AM cost share rates in the contract. We still need receipts for these types of payments and they need to be scanned to process payments. Bills collected for the average cost and new payment schedule practices do not have to be scanned, we can use hard copies or spread sheet information kept by the DC's and CIT's mailed to the Area Office.

Issue-Sometimes, contact is made directly to the field office, and the APS may already be working on the issue.

Response-Future correspondence dealing with contract and payment issues will be sent to the employee initiating the payment with a copy to the APS. The APS will communicate with the field employees if they have pertinent information concerning the payment question.

Issue-APS' should be more involved in quality assurance and program guidance at the FO instead of working on corrections to individual contracts when they get to the AO.

Response-It is hoped to have FO send some payments, ie: flat rates and incentive payments and payment rates, directly to the SO without APS review. New approval policy will have to be analyzed in detail to make sure this can happen.

Note: The group felt that the contract process works pretty well between the application and the approval of the contract phases. No major issues were identified for this part of the contract servicing process.