

**U.S. DEPARTMENT OF AGRICULTURE**  
 Farm Production and Conservation Mission Area  
 Business Center  
 Washington, DC 20250

<b>FPAC NOTICE</b>	<b>FPAC-N FMD-006</b>
<b>Subject:</b> FSA Financial Management 2022 Calendar Year-End Closing Instructions and Cutoff Dates	<b>Effective Date:</b> September 1, 2022
<b>Approved By:</b>  /s/ Margo Erny Chief Financial Officer Farm Production and Conservation Business Center	<b>Expiration Date:</b> September 1, 2023

**1. PURPOSE**

- a. The FPAC CFO prepared these closing instructions to facilitate an orderly close for calendar year 2022.
- b. The FPAC CFO requires all distributions and transactions to be processed in accordance with the deadlines established in this document. This will ensure that the Policy, Accounting, and Reporting Branch (PARB) in the FMD has adequate time to review and validate Internal Revenue Service (IRS) reporting for FSA 2022 calendar year end and coordinate with the proper points of contact for any necessary corrections.
- c. This notice:
  - (1) Is applicable only to the Farm Service Agency.
  - (2) Does not apply to Farm Loan Programs (FLP).
  - (3) Provides instructions and information on:
    - (a) all calendar year 2022 transactions that have been recorded and corrected, if applicable for 2022 year-end reporting;
    - (b) Designated Marketing Association (DMA) distribution of producer CCC-1099-G's;
    - (c) manually processed CCC-1099-A's; and
    - (d) CCC-1099-A's distribution to producers by January 31, 2023.

## 2. CALENDAR YEAR 2022 YEAR-END REPORTING PROCESSING SCHEDULE

### a. County Office, Loan Servicing Agent (LSA), and Cooperative Marketing Association (CMA) Processing for 2022 Year-End Reporting.

- (1) The following actions are required for calendar year 2022 year-end reporting:
  - (a) all calendar year 2022 reportable transactions must be transmitted according to the established schedule to allow adequate time for preparing CCC-1099's; and
  - (b) County Offices, LSA's, and CMA's must process calendar year 2022 transactions on schedule to meet the deadline for providing statements to vendors and producers.
- (2) CCC-1099-G, CCC-1099-MISC, Miscellaneous Income/Forms, and/or 1099-NEC, Nonemployee Compensation will **not** be mailed to producers if the total of reportable payments for each form type for each TIN are less than \$600.

### b. County Offices, LSA's, and CMA's must ensure that the following actions are completed:

- (1) calendar year 2022 payment transactions processed by NPS are certified and signed by 3 p.m. CST, December 28, 2022;

**Note:** No additional NPS payment transactions will be certified and signed before January 3, 2023.

- (2) LSA and CMA payment files are transmitted by COB December 28, 2022;
- (3) calendar year 2022 receivable and collection transactions processed by NRRS are recorded by COB December 28, 2022;
- (4) deposits processed in NRRS must be prepared and verified by COB December 28, 2022; and

**Note:** COB is the official closing time for the County Offices, according to their time zone.

- (5) automated clearinghouse direct deposit exceptions for payments issued during calendar year 2022 are resolved by contacting the Kansas City Financial Service Center customer service line at 1-866-856-1448 for assistance.

## 3. FMD – REPORTING SECTION

### a. DMA Distribution of CCC-1099-G

DMA's are marketing associations approved by the Secretary of Agriculture to issue marketing loan benefits on behalf of CCC for peanuts. The CCC authorizes DMA's to act as an agent for CCC by providing and servicing certain functions for peanut MAL's and LDP's. The DMA's were authorized by the Farm Security and Rural Investment Act of 2002 on May 13, 2002.

The servicing of peanut MAL and LDP producers requires that DMA's issue CCC-1099-G's.

- b. FPAC Business Center, FMD, Policy, Accounting, and Reporting Branch, Reporting Section, Managerial Reporting Team (MRT) Action.

MRT provides one summary CCC-1099-G to each DMA that includes the total taxable dollar amount.

- c. DMA Action.

Each DMA must issue a CCC-1099-G to each of their producers according to IRS regulations. The sum of the amounts reported to the producers on the DMA CCC-1099-G's (plus an adjustment for producers who received amounts totaling less than \$600.00) must equal the amount on the summary CCC-1099-G issued to DMA by FSA.

**Note:** CCC-1099-G's issued to producers by DMA's must include market gains, storage forgiven, forgiven interest, and any other payments that result from program benefits earned by the producer.

#### **4. REPORTING CALENDAR YEAR 2022 CCC 1099-A's, REPORTING OF LOAN, FORFEITURE, SETTLEMENT, AND ABANDONMENT TO PRODUCER AND IRS**

- a. Background

Internal Revenue Code, 26 U.S. Code § 6050J, requires that CCC, as a lender of money secured by property in connection with a trade or business, file an information return reporting any full or partial acquisition of the property. This requirement applies to CCC when either of the following occurs:

- (1) acquires an interest in any property in full or partial satisfaction of any debt; and
- (2) has reason to know that the property in which it has security interest has been abandoned.

- b. Manual Generating CCC-1099-A's

No action is required from County and State Offices to process, print, or mail CCC-1099A's. The MRT will manually generate all loan forfeitures, settlements, or abandonments using CCC-1099-A's to report both the original and the corrected transaction to the producer and to the IRS.

c. MRT Actions

MRT will take the following actions to manually issue CCC-1099-A's for calendar year 2022.

<b>Step</b>	<b>Action</b>
1	Manually create CCC-1099-A for calendar year 2022 reporting.
2	Mail CCC-1099-A copy to producers no later than <b>January 31, 2023</b> .  <b>Note:</b> Keep one electronic copy of CCC-1099-A in FPAC Business Center, FMD, PARB, MRT.
3	Mail Copy A of CCC-1099-A to the IRS by <b>February 28, 2023</b> or transmit <b>CCC-1099-A file to the IRS via the Filing Information Returns Electronically (FIRE) system by March 31, 2023</b> .
4	If mailing Copy A to the IRS, the IRS 1096, Annual Summary and Transmittal of U.S. Information Returns, must be completed and mailed along with CCC-1099-A's to the IRS at the following address:  Department of the Treasury Internal Revenue Service Center Kansas City, MO 64999

**Note:** If a loan has multiple owners, CCC-1099-A's will be provided to each borrower.

**5. CONTACT**

Submit questions about this notice to the FPAC Business Center, Financial Management Division, through **myFPAC Services** according to the following instructions:

- (1) Select "Reporting" for the "Request Type";
- (2) Provide a summary of the request in the "Request Description" box;
- (3) Click "Add attachments" to add any relevant attachments; and
- (4) Click "Submit" to enter the ticket into the workflow queue. The Reporting Section will provide a response as quickly as possible.