

**FSA**  
**HANDBOOK**

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Payment Limitation, Payment Eligibility, and  
Average Adjusted Gross Income

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For State and County Offices

SHORT REFERENCE

6-PL



UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency  
Washington, DC 20250

**Payment Limitation, Payment Eligibility,  
and Average Adjusted Gross Income  
6-PL**

**Amendment 8**

**Approved by:** Acting Deputy Administrator, Farm Programs



**Amendment Transmittal**

**A Reasons for Amendment**

Paragraph 34 has been amended to update the applicable rules for ECAP.

Paragraph 36 has been amended to update programs subject to payment limitation.

Subparagraph 258 C has been amended to include ECAP.

Paragraph 310 has been amended to provide payment limitation guidance for States, public schools, political subdivisions, and agencies participating in ECAP.

Exhibit 5 has been amended to add ELAP and update LIP payment limitation information for program years 2019 and forward.

Exhibit 7 has been amended to refer to paragraph 34 and applicable program handbooks for payment limitation and payment eligibility provisions for programs not listed.

<b>Page Control Chart</b>		
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**Part 1 Introduction**

**1 Handbook Purpose and References**

**A Purpose**

This handbook provides instructions and uniform methods to:

- apply direct attribution for payment limitation purposes
- determine payment eligibility for each program participant.

The provisions of this handbook apply to various programs administered by State and County \*--Offices for 2021 and subsequent crop years, program years, and FY's--\*

**B Related Handbooks**

This table lists handbooks related to payment eligibility and payment limitation.

<b>IF the questions or concern is about...</b>	<b>THEN see...</b>
acreage and compliance determinations	2-CP.
agriculture risk coverage and price loss coverage	1-ARCPLC.
audits and investigations	9-AO.
common land units	8-CM and 10-CM.
common management and operating provisions	1-CM and 11-CM.
Common Payment System	9-CM.
Conservation Reserve Program	2-CRP, 4-CRP, and 5-CRP.
cotton price support payments	7-CN.
customer data management and Business Partner	11-CM.
debts, receivables, and claims	58-FI.
directives management	1-AS.
Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program	1-ELAP.
Emergency Conservation Program	1-ECP.
Emergency Forest Restoration Program	1-EFRP.
enterprise data warehouse	12-CM.
establishing and reporting receipts and receivables	64-FI.
farm, tract, and crop data	10-CM.
finality rule and equitable relief	7-CP.
grain and oilseeds price support programs	2-LP Grains and Oilseeds.

## 1 Handbook Purpose and References (Continued)

### B Related Handbooks (Continued)

<b>IF the questions or concern is about...</b>	<b>THEN see...</b>
livestock disaster assistance programs for 2011 and subsequent years	1-LDAP (Rev. 1).
Livestock Forage Program	1-LFP.
Livestock Indemnity Program	1-LIP.
Margin Protection Program for Dairy	1-MPP.
marketing assistance, loan, and loan deficiency payments	8-LP.
Noninsured Crop Disaster Assistance Program	1-NAP.
payment eligibility and payment limitation for 2009 through 2013	4-PL.
payment eligibility and payment limitation for 2014 through 2019	5-PL.
payment eligibility and payment limitation for 2019 until otherwise identified	6-PL.
peanut price support programs	2-LP Peanuts.
program appeals, mediation, and litigation	1-APP.
quality control	1-COR.
record operations	32-AS and 32-AS Supplement.
reporting payment and financial data to the IRS	62-FI.
special programs	1-SP.
State and county organization and administration	16-AO.
Tree Assistance Program	1-TAP (Rev. 4).
web-based subsidiary files	3-PL (Rev. 2).

## 2 Sources of Authority

### A Statutory Reference

Authority for administering payment eligibility and payment limitation provisions is provided by Food Security Act of 1985, Sections 1001, 1001A, 1001B, 1001C, and 1001D, as amended.

\*--Authority for administering payment limitation provisions for certain programs is provided by Disaster Relief Supplement Appropriations Act, 2022 (Extending Government Funding and Delivery Emergency Assistance Act) (Pub. L. 117-43). Programs for which this authority applies are identified throughout the handbook.--\*

## 2 Sources of Authority (Continued)

### B Regulatory Reference

Authority for administering payment eligibility and payment limitation provisions is provided by 7 CFR Part 1400. References from CFR are provided throughout the handbook.

\*--Authority for administering payment eligibility and payment limitation provisions for certain programs is provided by Disaster Relief Supplement Appropriations Act, 2022 (Extending Government Funding and Delivery Emergency Assistance Act) (Pub. L. 117-43) are included in regulations and Federal Register Notices of Funding Availability. Programs for which these authorities apply, and specific references are provided throughout the handbook.--\*

## 3 Legislative History of Payment Eligibility and Payment Limitation Provisions

### A Introduction

Since their establishment in 1970, the payment limitation provisions have been expanded to:

- apply to more programs
- include provisions for payment eligibility based on whether a person or legal entity is actively engaged in farming, a cash-rent tenant, or a foreign person
- include a limitation on average AGI as a condition of eligibility.

Information on the legislative history of the payment eligibility and payment limitation provisions is provided in subparagraphs B through R.

### B Agricultural Act of 1970

The Agricultural Act of 1970:

- established the first payment limitation provisions
- provided that the amount of payments that a person could be entitled to receive under each of the annual programs for the 1971, 1972, or 1973 crop could **not** exceed \$55,000
- required the Secretary to reduce the amount of set-aside acreage required on farms when the total amount of payments that would have been earned would be reduced by the payment limitation
- required the Secretary to issue regulations defining the term “person”
- provided that payment limitation would **not** apply to lands owned by States, political subdivision, or agencies thereof so long as these lands were farmed primarily in the direct furtherance of a public function.

**3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)****C 7 CFR Part 795**

7 CFR Part 795 provided:

- the definition of “person”
- provisions for determining whether multiple persons or other entities constitute 1 or separate persons
- provisions for changes in farming operations
- provisions for determining whether an agreement is a share lease or a cash lease
- custom farming rules
- provisions for scheme or device
- computation of reduction in set-aside acreage because of the limitation.

**D Agriculture and Consumer Protection Act of 1973**

The Agricultural and Consumer Protection Act of 1973 extended and amended the Agricultural Act of 1970, as it relates to payment limitation, to provide that the:

- amount of payments that a person was entitled to receive under each of the annual programs for the 1974 through 1977 crops could **not** exceed \$20,000
- rules for determining whether corporations and their stockholders could be considered separate were to be based on ownership of more than 50 percent of the stock of the corporation.

### 3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)

#### E Food and Agriculture Act of 1977

The Food and Agricultural Act of 1977 extended and amended the payment limitation provisions to require that the amount of payments that a person could be entitled to receive under:

- 1978 wheat, feed grains, and upland cotton programs could **not** exceed \$40,000
- 1978 rice program could **not** exceed \$52,250
- 1979 wheat, feed grains, and upland cotton programs could **not** exceed \$45,000
- 1979 rice program could **not** exceed \$50,000
- 1980 and 1981 wheat, feed grains, upland cotton, and rice programs could **not** exceed \$50,000.

#### F Agriculture and Food Act of 1981

The Agricultural and Food Act of 1981 extended and amended the payment limitation provisions to require that the:

- amount of payments that a person was entitled to receive under the 1982 through 1985 wheat, feed grains, upland cotton, and rice programs could **not** exceed \$50,000
- total amount of disaster payments that a person was entitled to receive for wheat, feed grains, upland cotton, and rice could **not** exceed \$100,000 for each of the 1982 through 1985 crops.

### 3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)

#### G Food Security Act of 1985

The Food Security Act of 1985:

- extended and amended the payment limitation provisions
- required that the term “payments” **not** include the following:
  - MAL’s
  - LDP’s
  - NL (“Findley”) payments.

#### H Omnibus Budget Reconciliation Act of 1987

The Omnibus Budget Reconciliation Act of 1987 amended the Food Security Act of 1985 to:

- define “person”
- provide that a State, political subdivision, and agencies thereof were to be considered 1 person
- provide that spouses could be separate persons if the spouses could show that each spouse brought separate farming operations into the marriage and had maintained separate farming operations throughout the marriage
- include cash-rent tenant provisions that combined the cash-rent tenant with the landowner in certain situations
- require that producers be “actively engaged in farming” to be eligible for specific payments
- limit payment to foreign persons
- limit the creation of entities to qualify as separate persons for payments.



3 **Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)**

**I Disaster Assistance Act of 1988**

The Disaster Assistance Act of 1988 established the payment limitation provisions for LFP.

**J Pub. L. 101-217**

Pub. L. 101-217, dated December 11, 1989, amended the cash-rent tenant provisions of the Food Security Act of 1985 for:

- 1989, to provide relief in cases where the cash-rent tenant provisions had been violated and the landowner did **not** consent to or knowingly participate in the cash-rent tenant's failure to meet the cash-rent tenant provisions
- 1990, to **no** longer require that the landowner and cash-rent tenant be combined.

**Note:** Instead, the cash-rent tenant is determined ineligible for payment if the cash-rent tenant provisions are **not** met.

**3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)****K The Food, Agriculture, Conservation, and Trade Act of 1990**

The Food, Agricultural, Conservation, and Trade Act of 1990 extended and amended the provisions of the Omnibus Budget Reconciliation Act of 1987 to provide:

- a total \$75,000 limitation on “Findley” payments, MLG’s, and LDP’s, excluding honey
- a \$200,000 limitation on honey MLG’s and LDP’s
- a \$200,000 limitation on honey loan forfeiture
- separate limitations for wool and mohair payments of:
  - \$200,000 for the 1991 marketing year
  - \$175,000 for the 1992 marketing year
  - \$150,000 for the 1993 marketing year
  - \$125,000 for the 1994 and subsequent marketing years
- the Secretary discretionary authority to implement a rule allowing spouses to be considered separate persons if certain requirements were met
- greater scrutiny of irrevocable trusts
- that initial determinations be made by State Offices for farm operations consisting of 6 or more persons.

**3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)****L The Federal Agriculture Improvement and Reform Act of 1996**

The Federal Agriculture Improvement and Reform Act of 1996 amended the provisions of the Food Security Act of 1985 to:

- provide a \$40,000 limitation per FY on the total of SL payments made to a person under 1 or more PFC's
- provide a \$50,000 limitation on the total of NL payments made to a person under 1 or more PFC's

**Note:** This limitation applied to the 7-year life of PFC.

- provide a \$75,000 limitation on the amount of LDP's and MLG's a person may receive
- apply the payment eligibility and payment limitation requirements and restrictions of the Food Security Act of 1985 to payments made under LDP's, MLG's, and PFC's.

**M The Farm Security and Rural Investment Act of 2002**

The Farm Security and Rural Investment Act of 2002 amended the provisions of the Food Security Act of 1985 to provide:

- \$40,000 limitation per crop year on the total direct payments made to a person under 1 or more CCC-509's on covered commodities other than peanuts
- separate \$40,000 limitation per crop year on the total direct payments for peanuts made to a person under 1 or more CCC-509's
- \$65,000 limitation per crop year on the total counter-cyclical payments made to a person under 1 or more CCC-509's on covered commodities
- separate \$65,000 limitation per crop year on the total counter-cyclical payments for peanuts made to a person under 1 or more CCC-509's

### 3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)

#### M The Farm Security and Rural Investment Act of 2002 (Continued)

- \$75,000 limitation per crop year on the amount of LDP's and MLG's for loan commodities other than peanuts, wool, mohair, and honey
- separate \$75,000 limitation per crop year on the amount of LDP's and MLG's for peanuts, wool, mohair, and honey
- \$2.5 million average AGI limitation as an eligibility requirement for a person and entity to receive any benefits listed in this subparagraph and benefits from all conservation programs administered by USDA.

#### N The Food, Conservation, and Energy Act of 2008

The Food, Conservation, and Energy Act of 2008 amended the provisions of the Food Security Act of 1985 and resulted in the following:

- “person” now means a natural person (individual) and does **not** include a legal entity
- “legal entity” now means an entity created under Federal or State law that owns land or an agricultural commodity, product, or livestock
- if ownership interest in land or commodity is transferred because of the death of a program participant and the new owner succeeds to the contract of the prior owner, the new owner, if otherwise eligible, may receive payments the previous owner would have been entitled to receive under the contract, even if receiving the payments results in total payments in excess of the applicable limitation
- payments are limited by direct attribution to persons and legal entities
- the permitted entity rule was **repealed**

**Note:** Payments can be received through any number of legal entities with **no** designation required.

### 3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)

#### N The Food, Conservation, and Energy Act of 2008 (Continued)

- spouses have separate payment limitations
- program payments issued to a minor child are attributed to the parents
- States, local government, political subdivisions, and agencies thereof, are **no** longer eligible for payments, **except** for direct, counter-cyclical, and ACRE payments earned on State-owned land that is used to support public schools

**Notes:** Under this exception, total program payments are limited to \$500,000 annually.

If the State has a population of less than 1.5 million, total program payments are **not** limited.

- a program participant may be ineligible for all program payments for up to 5 years if fraud is determined
- for commodity programs (including DCP, price support, NAP, and disaster assistance programs), AGI limitation for eligibility was changed to an average nonfarm AGI of \$500,000

**Note:** If average farm AGI exceeds \$750,000, the participant is **not** eligible for direct payments.

- for conservation programs, an average nonfarm AGI of \$1 million or less applies

**Note:** If the average nonfarm AGI exceeds \$1 million, the participant may be eligible if at least 66.66 percent of the average AGI is derived from farming, ranching, and forestry operations, as defined. However, the AGI limitation may be waived on a case-by-case basis if the Secretary determines that environmentally sensitive land of special significance would be protected.

- the definition of “income from farming, ranching, or forestry operations” was expanded to include the following:
  - producing fish and aquaculture for food
  - packing, processing, shedding, storing, and transporting agricultural commodities
  - producing livestock products
  - farm-based production of renewable bio-energy
  - providing operational inputs to farmers, ranchers, and foresters
- the 3-year period for calculating an average AGI is the 3 taxable years preceding the most immediately preceding complete taxable year for which program benefits are requested

### 3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)

#### N The Food, Conservation, and Energy Act of 2008 (Continued)

- a \$40,000 limitation per crop year applies to direct payments made, directly or indirectly, to a person or legal entity under 1 or more CCC-509's on covered commodities
- a separate \$40,000 limitation per crop year applies to direct payments for peanuts made, directly or indirectly, to a person or legal entity under 1 or more CCC-509's
- a \$65,000 limitation per crop year applies to counter-cyclical payments made, directly or indirectly, to a person or legal entity under 1 or more CCC-509's on covered commodities
- a separate \$65,000 limitation per crop year applies to counter-cyclical payments made, directly or indirectly, to a person or legal entity under 1 or more CCC-509's on peanuts
- no limitations apply to LDP's or MAL's on loan commodities, including honey, mohair, peanuts, and wool
- a \$100,000 limitation per crop year applies to the total payments made, directly or indirectly, to a person or legal entity under NAP.

#### O The Food, Conservation, and Energy Act of 2008, as Amended for 2010 and Subsequent Crop Years, Program Years, and FY's

The Food, Conservation, and Energy Act of 2008, as amended for 2010 and subsequent crop years, program years, and FY's, provides the following:

- changes to "actively engaged in farming" provisions to allow a legal entity, such as a corporation or LP, to be considered "actively engaged in farming" and fully eligible for payment, if the total of direct DCP payments received both directly and indirectly by the stockholders and members does **not** exceed \$40,000; **and** at least 50 percent of the ownership interest in the legal entity is held by stockholders/members who are collectively providing a significant contribution of active personal labor and/or active personal management to the farming operation

### 3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)

#### O The Food, Conservation, and Energy Act of 2008, as Amended for 2010 and Subsequent Crop Years, Program Years, and FY's (Continued)

- an average AGI validation process using IRS tax data
- effective for 2010 through 2012 crop years, program years, and FY's, June 1 of the current year will be used as the date for determining:
  - minor child for applying minor child rules
  - ownership interest in a legal entity for applying direct attribution for payment limitation purposes.

#### P The Consolidated and Further Continuing Appropriations Act of 2012

The Consolidated and Further Continuing Appropriations Act of 2012 amended the provisions of the Food Security Act of 1985 and the Food, Conservation, and Energy Act of 2008, and provided a \$1,000,000 average AGI limitation that:

- represents the total amount of the average AGI (including all income, both farm and nonfarm) of the person or legal entity
- is based on the same 3-year period as the other average AGI limitations
- applies only to 2012 direct payments under DCP and ACRE
- is in addition to the \$500,000 average nonfarm AGI, the \$750,000 average farm AGI, and the \$1,000,000 average nonfarm AGI limitations.

#### Q The American Taxpayer Relief Act of 2012

The American Taxpayer Relief Act of 2012:

- amended the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246)
- extended all payment eligibility and payment limitation provisions, including AGI limitations, for 2013 crop years, program years, and FY's.

### 3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)

#### R The Agricultural Act of 2014

The Agricultural Act of 2014 (Pub. L. 113-79) amended the provisions of the Food Security Act of 1985 to provide the following:

- annual payment limitation of \$125,000 per person or legal entity, which includes all payments and benefits from ARC, PLC, LDP's, and MLG's

**Note:** This limitation is separate for peanuts.

- cotton transition assistance for producers of upland cotton limited to \$40,000 effective for 2014 and 2015 program years only
- combined payment limitation of \$125,000 per person or legal entity for ELAP, LFP, and LIP benefits
- average AGI limitation of \$900,000 per person, legal entity, and all interest holders of a legal entity, effective for 2014 and subsequent crop years, program years, and FY's for commodity, price support, and disaster assistance; most conservation programs effective for FY 2015.

**Note:** This limitation is also applicable to ELAP, LFP, LIP, and TAP payments for October 1, 2011, and subsequent years.

#### S The Agricultural Act of 2014 – Following Publication of Final Rule

The 2014 Act required the promulgation of a rule to address the definition of “significant contribution of active personal management”. As a result, and after publication of a final rule, the following provisions were made effective for 2016 through 2018:

- revised definition of “active personal management contribution”
- application of a measurable standard for the determination of a significant contribution of active personal management; and, a significant contribution of the combination of active personal labor and active personal management
- restriction on the number of persons or members of a non-family joint operation that may qualify as actively engaged in farming, based only on a significant contribution of active personal management; or a significant contribution of the combination of active personal labor and active personal management to the farming operation



### 3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)

#### S The Agricultural Act of 2014 – Following Publication of Final Rule (Continued)

- 1 person's contribution of active personal management, or the combination of active personal labor and active personal management, to a farming operation qualifies only 1 member of the farming operation as actively engaged in farming and with a separate payment limitation
- management record or log is required to be kept and maintained of all eligible management activities performed by each person or member of a farming operation in which more than 1 person or member is making a significant contribution of active personal management, or a combination of active personal labor and active personal management, to qualify as actively engaged in farming.

The new provisions were applicable for the:

- **2016 crop or program year** to all non-family joint operations that plant any crop on or after February 1, 2016, with an intended use in 2016
- **2017 crop or program year** to all non-family joint operations that have already planted any crop, or have reported prevented planted 2016 crop acreage before February 1, 2016, with an intended use in 2016
- **2017 and subsequent crop or program years** to all non-family joint operations with either spring or fall planted crops.

The new provisions **are not** applicable to:

- joint operations comprised entirely of family members, as defined
- the contributions of land, capital, or equipment
- landowners who share a risk in the crop
- spouses and spousal operations
- trusts, corporations, LLC's, LLP's, and LP's.

Joint operations comprised entirely of family members means that all persons in the farming operation who are partners, stockholders, or persons with an ownership interest in the farming operation or of any entity that is a member of the farming operation, are family members. Family member includes great grandparent, grandparent, parent, child, including legally adopted children and stepchildren, grandchild, great child, sibling of a family member in the farming operation, and spouse of a family member in the farming operation.

**3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)****T The Bi-Partisan Budget Act of 2018**

The 2018 Act removed the \$125,000 payment limitation applicable to TAP and LIP, effective beginning January 1, 2017.

**U The Agricultural Improvement Act of 2018**

The 2018 Act amended the provisions of the Food Security Act of 1985 to provide the following:

- redefined “family member” to include first cousins, nieces and nephews
- authorizes the Secretary authority to waive the \$900,000 AGI requirements for participants of certain conservation contracts
- payment limitation and payment eligibility no longer applies to MLG’s and LDP’s
- removed the payment limitation for ELAP
- increased the payment limitation for ECP to \$500,000 per disaster event
- creates 2 separate payment limitations for NAP:
  - \$125,000 limitation for losses to crops with catastrophic coverage
  - \$300,000 limitation for losses to crops with buy-up coverage.

The Department also made discretionary changes to:

- make minor clarifications to the definitions of “interest in a farming operation” and “lawful alien” and add a new definition of “livestock” for use in determining substantive change
- make a technical correction to the provision for a legal entity’s or joint operation’s eligible capital, land, or equipment acquired as a result of a loan made to, guaranteed by, co-signed by, or secured by any person or legal entity with an interest in the farming operation.

**4-14 (Reserved)**

**Part 2 General Provisions****Section 1 Responsibilities****15 National Office Responsibilities****A General Supervision**

[7 CFR 1400.2] The provisions of this handbook must be administered under the general supervision and direction of the Executive Vice President, CCC and the Administrator, FSA.

**B DAFP Authority**

[7 CFR 1400.2 (d)] DAFP may take any action authorized or required to be taken by either COC or STC that is **not** taken by COC or STC. DAFP may also correct or require COC or STC to correct any action taken by COC or STC or withhold taking any action that is **not** according to the provisions of this handbook.

**16 STC Responsibilities****A General Supervision**

STC's have authority over COC's, County Offices, DD's, and State Office specialists to implement the provisions of this handbook.

**B Responsibilities**

STC's must:

- resolve questioned COC determinations
- be responsible for reviewing cases involving initial eligibility determinations for joint operations consisting of 6 or more members.

**C Action**

STC's may take any action authorized or required to be taken by COC's that is **not** taken by COC. STC's may also:

- correct, or require COC's to correct, any action taken by COC that is **not** according to the provisions of this handbook
- require COC's to withhold taking any action that is **not** according to this handbook.

**16 STC Responsibilities (Continued)****D Assigning Program Specialist**

STC may delegate a State program specialist the overall responsibility for the administration of payment limitation determinations.

**E Questioned COC Determinations**

STC's must:

- resolve determinations that are questioned by DD's
- complete determination resolution responsibilities by reviewing material submitted by DD's according to paragraphs 354 and 355.

**F EYR's**

STC must specify a date by which all EYR's **must** be completed within the State. STC must take into consideration the following:

- different dates may be established for specific areas with the State
- an action, such as marketing of a crop, may not be completed at the time of EYR

**Note:** Do **not** consider the determination incorrect simply because the action is **not** completed at the time of the EYR date.

- that some factor to be considered may require verification beyond the STC-established EYR date

**Note:** EYR should be completed to the extent that follow-up actions are known and scheduled.

- the date final payments will be made.

**Note:** This paragraph must be supplemented by each State Office to specify dates by which EYR's must be completed.

## 17 State Office Specialist Responsibilities

### A Introduction

The State Office specialist assigned the overall responsibility for the operation of payment limitation determinations within the State must:

- provide training
- provide technical assistance
- accumulate reports.

### B Training

State Office specialists must provide payment limitation procedure training to COC's, DD's, and County Offices. State Office specialists must assess training needs within the State and provide training, as necessary.

### C Technical Assistance

The State Office specialist must provide technical assistance to all levels within the State by:

- assisting with reviews of any determination questioned by DD
- obtaining assistance of OIG and/or OGC, if appropriate, for scheme or device determination
- following up on DD reports of improper or insufficient COC determinations
- preparing cases, as necessary, for STC determinations
- selecting a sufficient number of County Office employees to serve as members of district teams to conduct EYR's.

**Notes:** Review team members must **not** participate in the review of producers who operate in the same county that employs the review team member.

The State Office specialist must oversee progress and adequacy of findings by requiring reports, as appropriate.

- \*--monitoring progress of EYR's to ensure completion by the deadline established according to subparagraph 16 F.--\*

17 **State Office Specialist Responsibilities (Continued)**

**D Accumulating Reports**

The State Office specialist must:

- monitor the number of default determinations made by each County Office
- be prepared to provide a cumulative report of the total number of default determinations in the State to DAFP, if requested
- require a report of default determinations EYR's from each County Office.

**E Required Determinations**

State Office Specialists must:

- make payment eligibility determinations for joint operations receiving payment with 6 or more members
- **not** make determinations for all other farming operations in which the producer is involved as an individual or member of a joint operation or entity.

The recording county must make all other eligibility determinations according to paragraph 351.

**F Determination Priority**

Determinations must be sorted to prioritize determinations involving newly filed CCC-902's, operations with payments exceeding \$125,000, or any other applicable limitation.

If the volume of determinations prevents timely determinations in all cases, producers must receive a default determination according to paragraph 390.

**G Determination Required Action**

State Office Specialist must:

- notify applicable producers of determinations made according to this handbook
- notify designated recording county for the producer of determinations
- maintain a record of determinations made by the State Office
- conduct EYR's for determinations required to be made by State Office.

## 17 State Office Specialist Responsibilities (Continued)

### \*--H CPA and Attorney Average AGI Statement Compliance Reviews

The State Office specialist must:

- follow paragraph 473.5 to conduct annual compliance reviews for selected producers
- follow paragraph 473.6 to record results of annual compliance reviews completed according to paragraph 473.5
- plan reviews to ensure completion annually by November 30
- notify applicable producers of determinations made as the result of a review
- notify designated recording county for the producer of determinations
- maintain a record of all reviews completed by the State Office.--\*

## 18 DD Responsibilities

### A Monitoring COC Determinations

DD's must monitor COC initial, end-of-year, scheme or device, and default determinations to ensure that proper and timely determinations are made.

### B Annual Review Requirement

DD's must annually review 5 initial COC determinations per Service Center at the beginning of the fiscal year to ensure that COC has timely and accurately:

- made determinations for:
  - actively engaged in farming
  - cash-rent tenant provisions
  - commensurate contributions
  - significant contributions
  - substantive change rules
  - foreign person rules
- notified producers, in writing, of determinations

The annual review must include at least 2 joint operations, such as general partnerships and joint ventures.

## 18 DD Responsibilities (Continued)

### C End-of-Year Determinations

DD's must review all cases selected for EYR to ensure that:

- cases for review were properly selected
- correct determinations were made based on documentation provided
- documentation was sufficient to support the determination
- reviews were made in a timely manner.

**Note:** In all cases, DD's should review **before** producer is notified of the outcome of the review.

### D Scheme or Device Determinations

DD's must:

- provide assistance to COC, as appropriate
- concur with COC's determination of scheme or device **before** the producer is notified of the determination
- initial COC determination in COC minutes.

### E Reporting Reviews to State Office

DD's must:

- notify the State Office on any discrepancies found during initial or EYR determinations
- notify the State Office on any scheme or device determination
- provide the State Office quarterly reports upon request.

## 19 COC Responsibilities

### A Overview

COC's are under the general supervision and direction of the Executive Vice President, CCC and the Administrator, FSA. COC's do not have authority to modify or waive any of the provisions contained in this handbook or 7 CFR Part 1400.

### B Responsibilities

COC's are responsible for timely making payment limitation and payment eligibility determinations for producers of farming operations that are consistent with the rules provided in this handbook and 7 CFR Part 1400. See Part 6 for determination requirements.

The recording county COC is responsible for making determinations and hearing appeals for a multi-county producer.



## 19 COC Responsibilities (Continued)

### B Responsibilities (Continued)

By February 1<sup>st</sup> each year, COC must identify dates that are normal and customary for the area that equipment and land rents are paid. COC must record these dates in the COC minutes. See subparagraphs 93 A, 145 C, and 146 C for additional information.

In maintaining the integrity of the rules, COC's have responsibility to select any farming operation for EYR according to Part 7 if there is reason to believe a farm operating plan was not followed.

## 20 Recording County Responsibilities

### A Responsibilities

The recording county is responsible for:

- making payment limitation and payment eligibility determinations
- notifying the producer within 60 calendar days of the producer's filing date

**Note:** The recording county must not delay notification to the producer to obtain the concurrence of other COC's.

- obtaining concurrence from nonrecording counties using CCC-527, according to 3-PL (Rev. 2)

**Note:** If COC's in nonrecording counties do not agree with the determination made by the recording county, immediately contact the recording county to resolve the differences. Involve the DD's and State Offices if differences cannot be resolved.

- recording certifications and determinations in Subsidiary, according to 3-PL (Rev. 2).

**Note:** Update eligibility flags upon receiving concurrence from other COC's, according to 3-PL (Rev. 2).

**20 Recording County Responsibilities (Continued)****B Changing Recording County for Multi-County Producers**

The recording county for a farming operation is initially established according to procedure in 3-PL (Rev. 2).

COC's may consider written requests from producers to change the recording county. Producers must include the reason the request is being made.

COC's must approve only those requests that result in a change that is "significantly more convenient" for the producer. In this context, "convenience and inconvenience" refer to the attributes 1 servicing County Office may have over another (location, distance of travel to and from the farm headquarters or home, or office hours).

Requests for reasons that are not "significantly more convenient" may be disapproved by COC.

Requests that are meritorious in reason, and do not meet the "significantly more convenient" criteria may be approved by COC, with DD concurrence.

The establishment of a recording county and changing a recording county is an administrative matter that is outside the jurisdiction of 7 CFR Part 780 and the informal appeals process. See 1-APP for specific details. How FSA conducts its administrative operations and decides how records will be maintained are administrative (not program) decisions. For these reasons, decisions by FSA to process requests for changes in recording county are not subject to any sort of appeal or appealability review. Offices will provide neither appeal, nor appealability review rights on administrative decisions about recording county locations.

Determinations for changing the recording county must be recorded in the COC minutes.

**\*--Note:** Recording counties were originally established under procedure in 3-PL, based on the counties to which a producer was linked at the time their record was established and their address. If a producer signs an FSA-179 to transfer all farms from the recording county, and the request is approved under applicable farm records policy, FSA **may** change the producer's recording county to the receiving County Office without a request from the producer to change the recording county.--\*

**21 Nonrecording County Responsibilities**

**A Overview**

This paragraph explains the basic responsibilities of a County Office that receives forms and documentation from a multi-county or multi-State producer.

**B Responsibilities**

Nonrecording counties receiving forms and documentation, for a multiple county producer, must immediately date stamp, scan, encrypt, and e-mail to the recording county for determinations and subsidiary updates.

**C Determination Deadline**

The recording county COC **must** make determinations and notify the producer within 60 calendar days after the producer files a complete CCC-902. The 60-calendar-day period begins on the date a complete CCC-902 is filed, regardless of whether or **not** the County Office receiving the filing is the recording county.

**22 Interaction Between Counties**

**A Other County Initial Determination Responsibilities**

COC’s in nonrecording counties receiving an initial determination notification by the recording county COC for a multiple county producer must respond according to this table.

<b>IF COC’s in nonrecording counties...</b>	<b>THEN the nonrecording county must...</b>
agree with the determination	notify the recording county of the concurrence <b>using CCC-527, according to 3-PL (Rev. 2).</b>
do <b>not</b> agree with the determination made by the recording county	<ul style="list-style-type: none"> <li>• immediately contact the recording county to resolve the differences</li> <li>• involve DD’s and State Offices if needed to resolve the differences</li> <li>• notify the recording county of concurrence, <b>using CCC-527</b>, when the differences have been resolved.</li> </ul>

**Note:** If the original determination is changed for any reason, the recording county must immediately repeat the procedures in this paragraph.

**23 Delegations of Authority**

**A Redelegation to CED**

COC's authority to make actively engaged in farming and eligibility determinations may be redelegated to CED when the cases delegated are routine.

**Note:** Record all COC determinations in COC minutes, including determinations made by CED for COC.

**B Spot-Checking Redelegated Determinations**

Periodically, COC's and DD's must review a sufficient number of redelegated cases to ensure that proper determinations are being made.

**C AGI**

SED's are delegated authority to make AGI determinations.

**\*--D Approving Changes in Recording County**

COC's may redelegate authority to CED for approving producer requests to change the recording county for a farming operation.--\*

**24-33 (Reserved)**

Section 2 Applicability

34 Applicable Programs

A General Applicability

[7 CFR 1400.1 (a) and (b)] This table provides the rules in this handbook that apply to USDA-administered programs. See Exhibits 5 and 7.

\*--

PROGRAM or PAYMENT	Applicable Rules												
	Payment Limitation					Payment Eligibility							
	Direct Attribution	Common Attribution	Substantive Change	Inheritance Provisions	Payment Limitation Adjustments	Actively Engaged in Farming	Rules for Non-Family Joint Operations	Cash Rent Tenant	Foreign Producers Eligible	Foreign Person Rules	AGI Provisions	75 Percent Farm AGI	
<b>Conservation Programs</b>													
CRP (1-PL) 1/	NO	NO	YES	YES	YES	YES	NO	YES	YES	YES	YES	NO	
CRP (4-PL; 5-PL and 6-PL)	YES	YES	YES	YES	YES	NO	NO	NO	YES	YES	YES	NO	
ECP	YES	YES	YES	NO	NO	NO	NO	NO	YES	NO	YES 2/	NO	
EFRP	YES	YES	YES	NO	NO	NO	NO	NO	YES	NO	YES 2/	NO	
ACEP (NRCS)	YES	YES	NO	NO	YES	NO	NO	NO	YES	YES	YES	NO	
AWEP (NRCS)	YES	YES	YES	YES	YES	NO	NO	NO	YES	YES	YES	NO	
CBWI (NRCS)	YES	YES	YES	YES	YES	NO	NO	NO	YES	YES	YES	NO	
EQIP (NRCS)	YES	YES	YES	YES	YES	NO	NO	NO	YES	YES	YES	NO	
CSP (NRCS)	YES	YES	YES	YES	YES	NO	NO	NO	YES	YES	YES	NO	
RCPP (NRCS)	YES	YES	YES	YES	YES	NO	NO	NO	YES	YES	YES	NO	
WHIP (NRCS)	YES	YES	YES	YES	YES	NO	NO	NO	YES	YES	YES	NO	
<b>Commodity Programs</b>													
ARC and PLC	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	NO	
<b>Disaster Assistance Programs</b>													
ELAP	YES	YES	NO	NO	NO	NO	NO	NO	NO	NO	YES	NO	
LFP	YES	YES	YES	NO	NO	NO	NO	NO	NO	NO	YES	NO	
LIP	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	NO	
NAP	YES	YES	YES	NO	NO	NO	NO	NO	YES	NO	YES	NO	
TAP	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	NO	
CFAP	YES	NO	NO	NO	YES	NO	NO	NO	YES	YES	YES	YES	
PARP	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	NO	
ERP (20-21)	YES	NO	YES	NO	YES	NO	NO	NO	NO	NO	NO	NO	
ERP 2022	YES	NO	YES	NO	YES	NO	NO	NO	YES	YES	NO	NO	
ELRP	YES	NO	YES	NO	YES	NO	NO	NO	NO	NO	NO	NO	
ECAP	YES	YES	YES	NO	YES	YES	YES	YES	YES	YES	NO	NO	
<b>Price Support Programs</b>													
MAL's	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	NO	NO	
LDP's	YES	YES	NO	NO	NO	NO	NO	NO	YES	YES	YES	NO	
MLG's	YES	YES	NO	NO	NO	NO	NO	NO	YES	YES	YES	NO	
DMC	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	NO	NO	
RTCP	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	NO	
<b>Other Programs</b>													
AMA	YES	YES	YES	YES	YES	NO	NO	NO	YES	YES	YES	NO	

--\*

- 1/ CRP contracts approved before October 1, 2008, are subject to 1-PL provisions, including permitted entity provisions.
- 2/ Only for certain appropriations that specifically identify AGI as a requirement.
- 3/ Foreign persons are ineligible for payment under certain programs. The procedure for these programs references the definition of “foreign person” provided in Part 5. However, the foreign person rule, as provided in Part 5, **only** applies to the programs or payments listed in this table.

35 Specific Rules for CRP

**A Applicability of This Handbook**

The provisions in this handbook apply to participants with CRP-1’s approved on or after October 1, 2020. Successors to CRP-1’s originally approved under 1-PL, 4-PL, or 5-PL are subject to the applicable rule.

**B Applicability of 1-PL, 4-PL, and 5-PL**

Persons and legal entities with CRP-1’s that are **not** subject to the provisions of this handbook are subject to the provisions of either 1-PL, 4-PL, or 5-PL.

36 Payment Limits and Rules

**A Person or Legal Entity Payment Limitations**

[7 CFR 1400.1] This table contains the annual payment limitations for a person or legal entity for programs that are subject to the provisions of this handbook.

Program Payment Type	Annual Limitation, Unless Otherwise Noted, *--2019 Through 2025--*
<b>Commodity and Price Support Programs</b>	
ARC, PLC, payments for other than peanuts	\$125,000
ARC, PLC, payments for peanuts	\$125,000
<b>Conservation Programs</b>	
AMA	\$50,000 <u>1/</u>
CRP annual rental payment and incentive payment	\$50,000 <u>2/</u>
CSP	\$200,000 <u>3/</u>
ECP (per disaster event)	\$500,000
EFRP (per disaster event)	\$500,000
EQIP	\$450,000 <u>4/</u>
<b>Disaster Assistance Programs</b>	
LFP	\$125,000
NAP	\$125,000/\$300,000 <u>5/</u>
*--ECAP	\$125,000/\$250,000 <u>6/</u>
TAP	\$125,000--*
<b>Other Programs</b>	
TAAF	\$10,000

36 Payment Limits and Rules (Continued)

A Person or Legal Entity Payment Limitations (Continued)

- 1/ The \$50,000 limitation is the total limit that a participant may receive under the AMA program in any FY.
- 2/ CRP contracts approved before October 1, 2008, may exceed the limitation, subject to payment limitation rules in effect on the date of contract approval. This table shows CRP payments and \$50,000 payment limitation applicability.

CRP Payment	CRP \$50,000 Annual Rental Payment Limitation Applicable
Annual Rental Payment	Yes
Chesapeake Bay Incentive Payment	Yes
Cumulative Impact Bonus	Yes
Non-CREP Practice Incentive Payment	No <u>1/</u>
CREP Practice Incentive Payment	See CREP Agreement <u>2/</u>
Signup Incentive Payment	Yes
Transition Incentive Payment	Yes
Wetland Restoration Incentive	Yes
Forest Management Incentive	No <u>3/</u>

- 1/ For signup 52 and prior, non-CREP practice incentive payments are subject to payment limitation. For signup 53 and subsequent, non-CREP practice incentive payments are **not** subject to payment limitation.
- 2/ For CREP, the terms of the specific CREP Agreement determines whether the practice incentive payment is subject to payment limitation.
- 3/ \$200,000 payment limitation per person or entity over life of Farm Bill – FY 2021 through FY 2023.

**Note:** Forest Management Incentive policy is not released yet effective October 1, 2020.

- 3/ The \$200,000 limitation is the total limit under all CSP contracts entered into subsequent to the enactment of the 2014 Farm Bill during FY’s 2014 through 2018 and of the 2018 Farm Bill during FY’s 2019 through 2023.
- 4/ The \$450,000 limitation is the total limit under all EQIP contracts entered into subsequent to the enactment of the 2014 Farm Bill during FY’s 2014 through 2018 and of the 2018 Farm Bill during FY’s 2019 through 2023.

**36 Payment Limits and Rules (Continued)**

**A Person or Legal Entity Payment Limitations (Continued)**

5/ The 2018 Farm Bill provides a separate maximum limitation of \$125,000 on NAP payments for losses to crops with catastrophic coverage (Basic 50/55) and a \$300,000 maximum limitation on NAP payments for losses to crops with buy-up coverage.

\*--6/ The American Relief Act, 2025 provides a maximum limitation of \$125,000 on ECAP payments. Individuals and legal entities may qualify for an increased maximum limitation of \$250,000 with submission of CCC-943.--\*

**37-47 (Reserved)**



## Section 3 General Administration

## 48 Annual Notice to Producers

## A When to Provide Information

**Annually** advise all producers of the payment eligibility and payment limitation requirements in this paragraph. Use newsletters and all other practical means available.

**Note:** It may be appropriate to provide the information in subparagraph B more than once during a calendar year, if there is more than 1 program operating in the county for which the rules in subparagraph B apply.

## B Information to Provide

Notify producers, at **least** annually, of the following:

- payments and benefits under certain programs are subject to some or all of the following:
  - payment limitation by direct attribution; including substantive change requirements when there is an increase in persons for payment limitation purposes
  - payment limitation amounts for the applicable programs
  - actively engaged in farming requirements
  - cash-rent tenant rule
  - foreign person rule
  - average AGI limitation
  - programs subject to AGI limitation
  - effective date of implementation of AGI limitation
- no program benefits subject to payment eligibility and limitation will be provided until:
  - **all** required forms for the specific situation are provided
  - necessary payment eligibility and payment limitation determinations are made

## 48 Annual Notice to Producers (Continued)

**B Information to Provide (Continued)**

- payment eligibility and payment limitation determinations may be initiated by COC or requested by the producer
- a farm operating plan is **not** required to be filed annually, if the farming operation continues to be conducted as reflected on the farm operating plan and supporting documents on file in the County Office
- if any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average AGI determination, producers **must** timely notify the County Office by filing revised farm operating plans and/or supporting documentation, as applicable

**Note:** Failure to timely notify the County Office may adversely affect payment eligibility.

- there are statutory provisions that require entities, earning program benefits that are subject to limitation, to provide the names, addresses, and TIN's of the entities' members to COC
- all applicable payment eligibility and payment limitation forms submitted by producers are subject to spot check through the EYR process
- a determination of **not** actively engaged in farming results in the producer being ineligible for any payment or benefit requiring a determination of actively engaged in farming
- noncompliance with AGI provisions, either by exceeding the applicable limitation or by failure to submit a certification and consent for disclosure statement, will result in the determination of ineligibility for **all** program benefits subject to AGI provisions. Program benefits must be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible person or legal entity in any legal entity, general partnership, or joint operation that receives benefits subject to the average AGI limitations.

**49 Public Information and Casual Advice**

**A Providing Information to the Public**

Provide applicable pages from this handbook to any producer who requests information on any program provisions about payment eligibility, payment limitation, and average AGI compliance determinations.

**B Casual Advice Rule**

Casual advice must **not** be given on:

- possible determinations
- how to set up a farming operation to obtain additional payments.

**50-59 (Reserved)**



## Section 4 Producer Filing Requirements

### 60 Filing Requirements

#### A If 1 or More Producers Fail to File

[7 CFR 1400.2 (e)] If 1 or more producers on a contract or application for benefits fail to file the applicable CCC-902, CCC-941, and related forms, the producers **not** filing the applicable forms will be ineligible to receive program benefits subject to eligibility and limitation applicable to that contract or application.

This failure to file will **not** affect the eligibility of other producers who meet all filing requirements.

**Note:** Shares **cannot** be adjusted to circumvent the ineligibility of the producer who failed to file the applicable forms and related documentation.

#### B Deadline for Filing CCC-901, CCC-902, CCC-941, and Related Forms

CCC-901, CCC-902, CCC-941, and related forms may be filed at any time.

Encourage producers to file these forms:

- according to the deadlines established for each applicable program for which payments are requested
- as timely as practicable.

**Note:** Using the business file process is recommended for collecting the information about producers' farming operations rather than using manual forms, whenever possible.

#### C Forms and Updates

\*--All participants in programs subject to the provisions of this handbook, including NRCS participants, are required to submit a completed CCC-902, CCC-941, and CCC-901, as--\* applicable, for payment eligibility and payment limitation purposes.

A valid CCC-902 and, if applicable, CCC-901 filed by the producer are considered to be continuous certifications used for all payment eligibility and payment limitation determinations applicable for the program benefits requested.

## 60 Filing Requirements (Continued)

## C Forms and Updates (Continued)

Producers are **not** required to annually submit new CCC-902's or CCC-901's for payment eligibility and payment limitation purposes unless a change in the farming operation occurs that may affect the determination of record.

Producers have the responsibility to:

- ensure that all CCC-902's, CCC-941's, and related forms on file in the County Office are correct at all times
- timely notify the County Office of any changes in the farming operation that may affect the determinations of record by filing a new or updated CCC-902 or CCC-901, as applicable.

Changes that may affect the determinations include, but are **not** limited to, a change of:

- shares of a contract, which **may** reflect:
  - a land lease from cash-rent to share-rent
  - a land lease from share-rent to cash-rent

**Note:** The producer would be subject to the cash-rent tenant rule.
- a modification of a variable/fixed bushel-rent arrangement
- the size of the producer's farming operation by the addition or reduction of cropland that may affect the application of a cropland factor
- the addition of new landowners/landlords that have provided funding/financing to the farming operation including but not limited to:
  - making a loan
  - guaranteeing a loan
  - cosigning a loan
  - securing a loan for the farming operation
- changes in members, partners or stockholders, including changes in ownership shares
- death or divorce of a family member

## 60 Filing Requirements (Continued)

## C Forms and Updates (Continued)

- change in citizenship status
- change in status of a minor child (birthday before June 1 of the current program year)
- the contributions of farm inputs of capital, equipment, active personal labor, or active personal management
- the acquisition of farming interests **not** previously disclosed on CCC-902.

## D Documenting Changes

Changes to a farming operation may be documented on 1 of the following, depending upon the nature and extent of the changes:

- a photocopy of the previously filed CCC-902

**Note:** The producer should initial and date **each** change.

- CCC-902 Continuation

**Note:** CCC-902 Continuation may be used to document changes affecting owned or leased land in the producer's farming operation.

- a new CCC-902
- a new CCC-901, if membership in an embedded entity changes.

If changes are documented using CCC-902 photocopy or CCC-902 Continuation, the CCC-902 photocopy or CCC-902 Continuation must **also** be signed and dated by the producer. For joint operations or general partnerships, only 1 signature is required when changes do **not** affect the determinations of record.

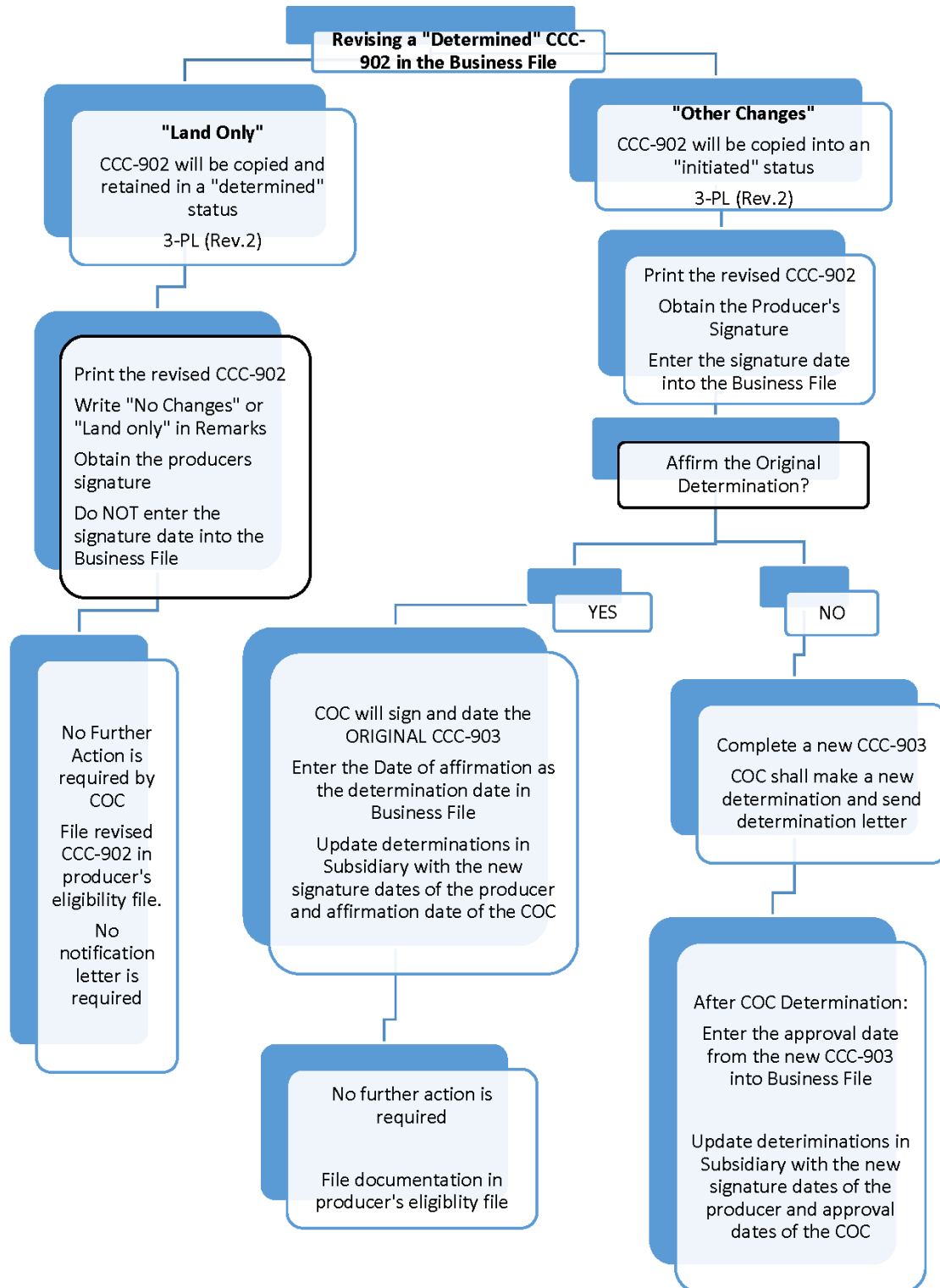
If a new CCC-902 is submitted:

- applicable determinations **must** be made and the producer notified according to Part 6
- flag the producer as "Awaiting Determination" according to 3-PL (Rev. 2), until all determinations are finalized.

60 Filing Requirements (Continued)

E Revising CCC-902 Using the Business File Application

The following illustrates procedures for revising CCC-902 using the Business File application.





## 61 Documentation

### A Introduction

This paragraph provides guidelines on documentation needed to support COC determination.

### B Adequate Documentation

COC must require adequate documentation to support the applicable farm operating plans and AGI compliance certification statements.

**Definition:** Adequate documentation means whatever documentation is required by the reviewing authority to make proper actively engaged in farming, attribution, and average AGI compliance determinations.

### C Documentation Not Required

The reviewing authority should avoid requiring documents that are extremely personal if the determination can reasonably be made without the documents. COC may:

- accept documents with redacted information that is **not** relevant to the actively engaged in farming and average AGI determinations
- accept income tax returns to make the determination if **voluntarily** provided by the producer
- request income tax returns to verify compliance with all average AGI limitations.

### D Lease Information

It is **not** anticipated that amounts paid for land leases or equipment leases will be needed unless the equipment or land is leased from a person or legal entity with an interest in the farming operation.

## 61 Documentation (Continued)

**E Documentation That May Be Used**

Supporting documents may include legal documentation, such as the following:

- articles of incorporation
- financial agreements, including letters of credit
- land and equipment leases
- land ownership records
- operating agreements
- partnership agreements
- trust agreements

\*--**Note:** A copy of the trust agreement **must** be provided by the trust if the trust is irrevocable or if the grantor (and co-grantors, if applicable) of a revocable trust--\* is deceased.

- any other information, including income tax returns, needed to apply the payment eligibility and payment limitation rules.

**61 Documentation (Continued)****F Changes to Farm Operating Plans After June 1 or in a Subsequent Program Year**

Additional scrutiny should be applied when requests for changes in farm operating plans (CCC-902's) are submitted late in the crop year, after June 1 or filed in a subsequent year.

Obtain additional documentation to verify changes are legitimate and have been carried out to ensure that changes are not created solely to evade or take advantage of payment limitation and payment eligibility rules.

The approving authority must ensure that the operation has instituted the changes proposed by reviewing similar documentation as listed in subparagraph E and any other documentation available such as grain sales, operating expenses, operating loan repayments to verify the operating plan was carried out as certified on the revised CCC-902.

**G Determination Deadline**

Additional information may be requested at COC's option. However, this will **not** extend the 60-calendar-day period for making a determination of actively engaged in farming. If the file, as submitted by the producer, does **not** support a favorable finding, COC must make a determination of whether or not a participant is actively engaged in farming based on the file as it exists at that time. See paragraph 351 for the start of the 60-calendar-day period to make determinations.

**H Returning Documentation**

Any legal documentation obtained should be returned to the producer as soon as possible. Keep photocopies for the payment limitation file if needed to support COC's determination.

## 62 FLP Participants

### A Information Exchange

FLM or appropriate farm loan staff must be provided access to copies of the following information on any program participant that is also an FLP borrower:

- submitted CCC-901
- new or updated CCC-902 and supporting documentation submitted
- the resultant CCC-903 (COC record of determinations)
- written notice of determination for payment eligibility and payment limitation purposes
- written notice of selection for EYR for payment eligibility and payment limitation compliance purposes
- written notice of **any** determination that may adversely affect payment eligibility and payment limitation.

**Note:** This includes all farming interests of the FLP borrower, whether as a person, member, or interest holder in a legal entity or joint operation.

### B Discrepancies

If representations made for program payment eligibility/limitation purposes and representations made for FLP purposes are found to be different, **and** have the appearance of adversely affecting payment eligibility or the application of any determination previously made, the discrepancies must be resolved:

- by the program participant/FLP borrower to the satisfaction of COC and FLP reviewing authority
- **before** any further disbursement of **any** program benefits subject to the regulations at 7 CFR Part 1400 and provisions of this handbook.

63 General Form Requirements

A Availability

All forms required to be filed by a producer are available:

- online at <http://www.sc.egov.usda.gov>
- at the local County Office or Service Center.

B Program Participant Reporting Requirements (CCC-901 and CCC-902)

This table provides an overview of CCC-901 and CCC-902 requirements.

**Note:** CCC-902 is required to be completed in its entirety to adequately support the required determinations for program eligibility and application of payment limitation rules.

\*--

IF the participating producer is...	THEN require...
a person	automated CCC-902.  If automated CCC-902 is not available, required 1 of the following: <ul style="list-style-type: none"> <li>• CCC-902I</li> <li>• CCC-902I Short Form.</li> </ul>
A general partnership or joint venture	automated CCC-902.  If automated CCC-902 is not available, required the following, as applicable: <ul style="list-style-type: none"> <li>• CCC-901</li> <li>• CCC-902E</li> <li>• CCC-902E Continuation.</li> </ul>
A corporation, LLC, LLP, LP, association, or any other similar legal entity	
an estate	
a trust	

--\*

C Collecting Land Contributions on Manual CCC-902 Forms

To collect land information on a manual CCC-902I or CCC-902E, a copy of the Producer Farm Data Report (10-CM) printed for the producer, may be used to record the land in the farming operation **only** with the addition of information on lease terms, rental rate, and whether the land interest was the same as the previous year. The producer **must** sign and date the Producer Farm Data Report **after** the information is added.

## 63 General Form Requirements (Continued)

**D Completing Forms for Programs Not Requiring Actively Engaged in Farming and Cash-Rent Tenant Determinations**

For persons and legal entities who are participants in FSA/CCC and NRCS programs subject to payment limitation and attribution (such as conservation, price support, disaster assistance, and other programs), CCC-902 will be used to collect information for the application of the following:

- substantive change rules
  - common attribution rules
  - minor child rules
  - identifying foreign persons and entities
  - foreign person rules.
- \* \* \*

**Note:** If using business file application, it is **not** necessary to complete manual forms.

All CCC-902's filed by program applicants must be completed \* \* \* to support all required determinations and the COC must:

- **not** make a determination for “actively engaged in farming” or “cash rent tenant provisions”
- make all other required eligibility determinations based on information collected on CCC-902

\*--**Note:** When completing CCC-902, participants may elect not to respond to some questions. Follow 3-PL to record these items as “no response” as appropriate and ensure COC determinations reflect only the information included on CCC-902.--\*

- complete and document the required determinations on CCC-903 according to paragraph 353

**Note:** CCC-903 must be completed, according to paragraph 353, for all CCC-902's filed. Determinations must be recorded in the COC minutes.

- provide written notification to the participant according to paragraph 389
- update subsidiary files according to 3-PL (Rev. 2), Part 3
- record entities and joint operations according to 3-PL (Rev. 2).

**\*--64 Specific Filing Requirements for NRCS Participants**

**A NRCS Filing Requirements**

NRCS participants are required to have CCC-902 in determined status to be eligible to receive program benefits under applicable NRCS programs. The following provides guidance for completing CCC-902 and CCC-901 for participants in NRCS programs.

The following parts of CCC-902I must be completed for an individual:

- Parts A, B, C, and I
- Part G is required if the person identified in Part A is a foreign person.

The following parts of the CCC-902E and CCC-901 must be completed for legal entities:

CCC-902E Parts	AMA, AWEP, CSP, CBWI, EQIP, WHIP	ACEP, RCPP
Part A - Entity Information	X	X
Part B - Type of Operation	X	X
Part C - Member Information	X	X
Part D - Summary of Contributions	X <sup>1/</sup>	
Part E - Land Information	X	X
Part F - Capital Sources		
Part G - Equipment	X <sup>2/</sup>	
Part H - Custom Services		
Part I - Other labor and Hired Labor		
Part J - Management		
Part K - Remarks	X	X
Part L - Certification	X	X

<sup>1/</sup> Must identify:

- land contributions
- equipment contributions
- labor contributions when foreign persons are members of the farming operation.

<sup>2/</sup> Equipment information is necessary when an increase in persons is approved based on the addition of equipment to the farming operation.

**Note:** COC or their designee will document the determinations for the NRCS applicant's eligibility using CCC-903.--\*

**65 Filing Payment Limitation Documentation**

**A Payment Eligibility and Payment Limitation Filing Requirements**

County Offices must file producer and County Office documentation according to 32-AS and the File Maintenance and Disposition Manual for USDA/FSA.

**66-75 (Reserved)**



## Section 5 General Application Rules

### 76 Denial of Program Benefits

#### A Introduction

Detecting schemes, fraudulent representations, and other equally serious actions of persons and legal entities to circumvent payment eligibility and payment limitation provisions is **essential** for producer compliance.

This paragraph provides rules and guidelines for detecting and determining schemes or devices, fraudulent representations, and other actions to circumvent payment eligibility and payment limitation provisions. Determining actions to circumvent payment eligibility and payment limitation provisions by a person or legal entity may result in the person or legal entity being ineligible for program benefits for 2 to 5 years.

#### B Consequences of Scheme, Device, or Fraud Determination

When the reviewing authority determines that a person or legal entity:

- adopts a scheme or device designed to evade, or has the effect of evading, the payment eligibility and payment limitation provisions, the person or legal entity must be **ineligible** for the crop year determined and the succeeding crop year for **all** program benefits subject to limitation
- perpetuates or commits fraud, or other equally serious actions, for the benefit of the person or legal entity, or for the benefit of any other person or legal entity, to circumvent any payment eligibility and payment limitation provision, the person or legal entity must be **ineligible** for **5 years** for **all** program benefits subject to limitation.

**76 Denial of Program Benefits (Continued)****C Detecting Schemes, Devices, and Fraudulent Activities**

State and County Office personnel must be aware of their responsibilities in detecting and reviewing suspected schemes or devices or other questionable activities. To assist in detecting, State and County Offices, as appropriate, must:

- compare automated multi-County producer files with information reported on CCC-902's to identify unreported farming interests
- use other system-generated reports and queries to identify possible schemes or devices
- closely scrutinize joint operations having individual members who are also stockholders, members, etc., of a member entity
- request OIG's assistance through the State Office, as appropriate.

**D Schemes or Devices**

[7 CFR 1400.5] Acts, such as the following, may be considered a scheme or device:

- concealing information that affects the application of payment limitation provisions
- submitting false or erroneous information
- creating fictitious entities to conceal interest of a person or legal entity in a farming operation.

**Note:** Fraudulent intent is **not** required for determining scheme or device.

76 Denial of Program Benefits (Continued)

**E COC or STC Scheme or Device Determinations**

This table provides required action **after** COC or STC determination.

<b>IF COC or State Office determines a scheme or device was...</b>	<b>THEN the...</b>
adopted to evade, or that had the purpose of evading, the provisions of this handbook	State or County Office, as appropriate, must: <ul style="list-style-type: none"> <li>• obtain DD concurrence of COC’s determination</li> </ul> <p><b>Note:</b> DD must initial the determination in COC minutes.</p> <ul style="list-style-type: none"> <li>• notify <b>all</b> County Offices in which the scheme or device participants have an interest of the determination</li> <li>• notify the scheme or device participants of the determination</li> <li>• obtain a refund of <b>all</b> payments received by the scheme or device participants for the year in which the scheme or device was adopted</li> <li>• <b>not</b> make payments to the scheme or device participants in the succeeding year.</li> </ul>
<b>not</b> adopted to evade, or that had the purpose of evading, the provisions of this handbook	program participants may be eligible to receive program benefits if <b>all</b> other applicable requirements are met.

**F Fraud or Equally Serious Activities**

[7 CFR 1400.5] Acts, such as the following, may be considered fraud or the equivalent:

- knowingly engaged in, or aiding in, creating a fraudulent document
- failure to disclose information relevant to administering the payment eligibility and payment limitation provisions
- other actions of the person or legal entity determined by the Deputy Administrator to circumvent the payment eligibility and payment limitation provisions.

76 Denial of Program Benefits (Continued)

G COC or STC Fraud or Equally Serious Activity Determinations

This table provides the required actions after COC or STC determination.

IF COC or STC determines...	THEN the...
<p>a program participant committed fraud, perpetuated a fraud, or initiated or participated in other equally serious actions to circumvent the payment limitation provisions</p>	<p>State or County Office, as appropriate, must:</p> <ul style="list-style-type: none"> <li>• obtain DD concurrence of the COC’s determination (DD <b>must</b> initial the COC minutes)</li> <li>• notify <b>all</b> County Offices in which the participants affected by this determination have an interest</li> <li>• issue written notification to <b>all</b> participants affected by the determination and the results of the determination</li> <li>• obtain a refund of <b>all</b> payments received by the participants affected by this determination for the year or years in which these activities were determined to have been perpetrated, including the pro rata share of program payments issued to the participants through interests held in any other legal entities and joint operations</li> <li>• deny <b>any</b> program payments, both directly and indirectly to the participants, under <b>any</b> program subject to the payment limitation provisions for a period of time <b>not</b> to exceed 5 years</li> <li>• deny <b>any</b> program payments, subject to the payment limitation provisions, to any person or legal entity that is a cash-rent tenant on land owned or controlled by the participants to which this determination applies for a period of time <b>not</b> to exceed 5 years.</li> </ul>
<p>fraud or other equally serious actions were <b>not</b> committed to circumvent the payment limitation provisions</p>	<p>program participants may:</p> <ul style="list-style-type: none"> <li>• <b>not</b> have their payment eligibility adversely affected for a period of time in excess of 2 years</li> <li>• be eligible for program payments and benefits under programs subject to limitation <b>only</b> if <b>all</b> other payment eligibility and payment limitation requirements have been met.</li> </ul>

**77 Joint and Several Liability****A Rule [7 CFR 1400.6]**

Any legal entity, including joint ventures and general partnerships, and any member of a legal entity determined to have knowingly participated in a scheme or device, or any such other equally serious actions, to evade, or that has the purpose of evading, the payment limitation provisions must be jointly and severally liable for amounts as follows:

- determined payable as the result of these actions
- necessary to recover the payments.

**B Release**

Any person or legal entity that cooperates with the Secretary to enforce the payment eligibility and payment limitation provisions may be partially or fully released from liability, as determined by the Executive Vice President, CCC.

**C Other Applicable Statutes**

FSA determined liability is in **addition** to any liability that may arise under a criminal or civil statute.

**78 Two or More Rules Apply****A Rule**

If 2 or more rules seem to be applicable, apply the rule that is **most** restrictive.

**79-90 (Reserved)**



## Section 6 Farming Operations

## 91 Determining Farming Operations

## A Definition of Farming Operation

A farming operation means a business enterprise engaged in producing agricultural products.

## B Description of Farming Operation

A person's, legal entity's, or joint operation's farming operation consists of the acreage on all farms in all counties in which the person, legal entity, or joint operation has an interest in the agricultural products or proceeds from the agricultural products produced. This includes all acreage in which the person, entity, or joint operation is a producer, regardless of whether the acreage is:

- rented on a crop-share basis
- rented on a cash-lease basis
- owned by the producer.

**Note:** In making determinations for a Landowner or Landlord, exclude owned or cash leased land that has been cash-rented to a cash-rent tenant, if the landowner or landlord has no interest in any crop or crop proceeds from the acreage for the year.

**Exception:** The farming operation of a landowner includes only the acreage owned by the landowner, if **both** of the following apply:

- land owned by different landowners is combined into 1 farm with other tracts so the claimed share of the crops or crop proceeds is proportionate to size and value of the land and CAB's contributed
- the landowner is **not** also a tenant on the farm.

## C Multiple Farming Operations

A person or legal entity may have more than 1 farming operation if the person or legal entity has an interest in 1 or more joint operations. Each interest by a legal entity or person in a joint operation will be an additional farming operation for the person or legal entity.

91 Determining Farming Operations (Continued)

D Example 1, Farms Operated

This table shows the **farms operated** by Sam Brown.

<b>Farm 1</b> Owner - Sam Brown Rental - None	<b>Farm 2</b> Owner - Pete Smith Rental - Crop share
<b>Farm 3</b> Owner - Henry Black Rental - Crop share	<b>Farm 4</b> Owner - Two Buddies Partnership Partners: <ul style="list-style-type: none"> <li>• Pete Smith</li> <li>• Henry Black</li> </ul> Rental - Crop share

This table **defines** the farming operation of each person involved in this example.

IF the determination is for...	THEN the farming operation consists of...
Sam Brown	all farms.
Pete Smith	Farm 2.
Henry Black	Farm 3.
Two Buddies Partnership	Farm 4.
	<b>Note:</b> This is a second farming operation for Pete Smith and Henry Black.

**Note:** None of the persons or legal entities has any other farming interests.



91 Determining Farming Operations (Continued)

E Example 2, Tracts Operated

This table shows the **tracts operated** by Sam Brown.

<b>Farm 9</b> <b>Tract 1</b> Owner - Sam Brown Rental - None	<b>Farm 9</b> <b>Tract 2</b> Owner - Pete Smith Rental - Cash lease
<b>Farm 9</b> <b>Tract 3</b> Owner - Henry Black Rental - Cash lease	<b>Farm 9</b> <b>Tract 4</b> Owner - Two Buddies Partnership Partners: <ul style="list-style-type: none"> <li>• Pete Smith</li> <li>• Henry Black</li> </ul> Rental - Cash lease

This table **defines** the farming operation of each person involved in this example.

<b>IF the determination is for...</b>	<b>THEN the farming operation consists of...</b>
Sam Brown	all of the land in Farm 9.
Pete Smith	none of the land in Farm 9.  <b>Note:</b> Pete Smith has no farming operation, because land is cash leased.
Henry Black	none of the land in Farm 9.  <b>Note:</b> Henry Black has no farming operation, because land is cash leased.
Two Buddies Partnership	none of the land in Farm 9.  <b>Note:</b> Two Buddies Partnership has no farming operation, because land is cash leased.

**Note:** None of the persons or legal entities has any other farming interests. All ownership tracts are combined as 1 farm, Farm 9.

91 Determining Farming Operations (Continued)

F Example 3, Tracts Operated

This table shows the **tracts operated** by Brown and Black Partnership. Both tracts have 100 acres of corn base acres. Sam Brown receives a pro rata crop share regardless of where the crop is planted.

<p><b>Farm 10</b>  <b>Tract 1</b>                  Owner - Sam Brown                  Rental - Crop share                  Operator - Brown and Black Partnership</p>	<p><b>Farm 10</b>  <b>Tract 2</b>                  Owner - Brown and Black Partnership                  Rental - N/A</p>
---	--

This table **defines** the farming operation of each person involved in this example.

IF the determination is for...	THEN the farming operation consists of...
Sam Brown	the acreage in Tract 1 of Farm 10.
Brown and Black Partnership	Farm 10.

**Note:** None of the persons or legal entities has any other farming interests. Both ownership tracts are combined as 1 farm, Farm 10.

91 Determining Farming Operations (Continued)

G Example 4, Tracts and Farms Operated or Subleased

This table shows the **tracts and farms operated or subleased** by Sam Brown.

<b>Farm 18</b> <b>Tract 5</b> Operator - Sam Brown Owner - Sam Brown Rental - N/A	<b>Farm 18</b> <b>Tract 6</b> Subleased to Bill Jones for cash Owner - Pete Smith Rental - Cash lease to Sam Brown
<b>Farm 18</b> <b>Tract 7</b> Subleased to Richard Alexander for cash Owner - Henry Black Rental - Cash lease to Sam Brown	<b>Farm 19</b>  Operator - Sam Brown Owner - Two Buddies Partnership Partners: <ul style="list-style-type: none"> <li>• Pete Smith</li> <li>• Henry Black</li> </ul> Rental - Crop share

This table **defines** the farming operation of each person involved in this example.

IF the determination is for...	THEN the farming operation consists of...
Sam Brown	the acreage in Tract 5 of Farm 18 and all of Farm 19.
Bill Jones	the acreage in Tract 6 of Farm 18 because land is cash leased from Sam Brown.
Richard Alexander	the acreage in Tract 7 of Farm 18 because land is cash leased from Sam Brown.
Two Buddies Partnership	Farm 19.

**Note:** None of the persons or legal entities has any other farming interests. Pete Smith and Henry Black have no individual farming operation.

91 Determining Farming Operations (Continued)

H Example 5, Farms Operated

This table shows the **farm operated** by Brown and Black Partnership. The farm has 100 acres of corn base acres. Brown and Black Partnership hires Pete Smith to custom farm the acreage.

<p><b>Farm 10 Tract 1</b> Owner – Sam Brown Rental – Cash Rent Operator - Brown and Black Partnership</p>	<p><b>Farm 10 Tract 2</b> Owner – Henry Black Rental – Cash Rent Operator – Brown and Black Partnership</p>
---	---

This table **defines** the farming operation of each person involved in this example.

IF the determination is for...	THEN the farming operation consists of...
Sam Brown	no farming operation because land is cash leased to Brown and Black Partnership.
Henry Black	no farming operation because land is cash leased to Brown and Black Partnership.
Brown and Black Partnership	Land operated by Brown and Black Partnership.

**Note:** None of the persons in this scenario would qualify under actively engaged because even though Brown and Black Partnership is considered farming land, they cannot meet cash rent tenant rule, because they are not providing labor, or equipment.

92 Interest in Farming Operations

A Definition of Interest in a Farming Operation (7 CFR 1400.3)

Interest in a farming operation means any of the following:

- owner, lessor, or lessee of the land in the farming operation
- interest in the ag products, commodities, or livestock produced by the farming operation
- a member of a joint operation that is an owner, lessor, or lessee of the land in the farming operation or has an interest in the ag products, commodities, or livestock produced by the farming operation.

## 92 Interest in Farming Operations (Continued)

### B Examples of No Interest in a Farming Operation

The following situations are not considered an interest in the farming operation when the member, stockholder, or partner is not a landowner, lessee, lessor, or have an interest in the ag commodities produced in the farming operation:

- beneficiaries of trusts when the trust is a producer in the farming operation
- grantors of irrevocable trusts when the trust is a producer in the farming operation
- heirs to estates when the estate is a producer in the farming operation
- limited partners of LLP when LLP is a producer in the farming operation
- members of associations when the association is a producer in the farming operation
- stockholders in a corporation when the corporation is a producer in the farming operation
- trustees and personal representatives of trusts or estates when the trust or estate, respectively, is a producer in the farming operation.

### C Most Restrictive Rule

A more restrictive rule may be applicable if a person or legal entity has an interest in another person's or legal entity's farming operation.

**\*--Example:** Joe Farmer, as an individual, pledges his owned land as security for an operating note for Joe Farmer Inc. Joe Farmer is a 50% stockholder and leases his land to Joe Farmer Inc. An arrangement of this type may result in Joe Farmer Inc.'s capital not being a significant contribution when all stockholders do not individually pledge security for the operating note. Even though Joe Farmer is a stockholder/member in this corporation, which alone, would not be considered an interest in the farming operation, Joe Farmer's role as a landowner constitutes an interest in the farming operation. If all stockholders do not pledge security for the operating loan, the capital contribution would not be considered significant. The most restrictive rule will be applied.--\*

**93 Total Value of a Farming Operation****A Introduction**

The total value of a farming operation **must** be computed when determining whether:

- the contributions made by the person or legal entity are significant
- contributions are commensurate with the claimed share of profits or losses from the farming operation
- by February 1<sup>st</sup> each year, COC must identify dates that are normal and customary for the area that equipment and land rents are paid. COC must record these dates in COC minutes. See subparagraphs 145 C and 146 C for additional information.

**B Definition of Total Value of a Farming Operation**

Total value of a farming operation means the total of the costs, excluding the value of active personal labor and active personal management that is contributed by a member of the farming operation, needed to carry out the farming operation for the year for which the determination is made.

**93 Total Value of a Farming Operation (Continued)****C Example 1**

The following is the **scenario** for this example.

Partnership ABC has 3 equal partners, A, B, and C. Partnership ABC farms 2,000 acres of cropland growing corn and various vegetables. All of the land that Partnership ABC farms has a rental value equal to \$42 per acre.

Partner A contributes land with a total rental value of \$24,000 to the partnership. Partner A cash-rents this land from a landowner with no interest in Partnership ABC's farming operation. Partner A's contributions to Partnership ABC also include equipment with a rental value of \$12,000 and \$12,000 of capital. None of Partner A's contributions are acquired as the result of a loan.

Partner B contributes land with a total rental value of \$12,000 to the partnership. Partner B cash-rents this land from a landowner with no interest in Partnership ABC's farming operation. Partner B's contributions to Partnership ABC also include equipment with a rental value of \$12,000 and \$24,000 of capital. None of Partner B's contribution is acquired as the result of a loan.

Partner C contributes land with a total rental value of \$12,000 to the partnership. Partner C owns this land. Partner C's contributions to Partnership ABC also include equipment with a rental value of \$12,000 and \$24,000 of capital. None of Partner C's contributions are acquired as the result of a loan.

Partnership ABC rents land from other landowners for a 1/3 share of the crop with a value of \$36,000. Partnership ABC contributes owned equipment with a rental value of \$21,000 and \$99,000 of capital to the farming operation.

Each of the partners share equally in the labor and management of this farming operation and no additional labor or management is hired.

## 93 Total Value of a Farming Operation (Continued)

## C Example 1 (Continued)

This table shows the **contributions** made by the partners and Partnership ABC and the total value of the farming operation.

	Land	Capital	Equipment	Labor	Management	Total
Partner A	24,000	12,000	12,000	Active	Active	48,000
Partner B	12,000	24,000	12,000	Active	Active	48,000
Partner C	12,000	24,000	12,000	Active	Active	48,000
Partnership ABC		99,000	21,000			120,000
Total	84,000 <u>1/</u>	159,000	57,000	0	0	300,000

1/ Includes the rental value of the land contributed by the share-rent landlord. Crop-share rent for the land is valued at \$36,000.

The total value of the farming operation was **determined** as follows.

The rental value of all the land involved in this farming operation is \$84,000. This rental value is derived by the following inputs:

- Partner A's contribution of cash-rented land with a value of \$24,000
- Partner B's contribution of cash-rented land with a value of \$12,000
- Partner C's contribution of owned land with a rental value of \$12,000
- share-rented land with a value of \$36,000 that is **not** attributed to any 1 partner or to the partnership.

**Note:** If land is owned, a rental value that is normal for the area **must** be used when determining its value.



**93 Total Value of a Farming Operation (Continued)****C Example 1 (Continued)**

The total amount of capital needed by this farming operation is equal to \$159,000. This figure is arrived at by taking the total expenditures necessary to conduct this farming operation and subtracting any equipment and land costs that will be expended by the partnership. The capital is derived by the following inputs:

- Partner A's contribution of \$12,000 of capital
- Partner B's contribution of \$24,000 of capital
- Partner C's contribution of \$24,000 of capital
- Partnership ABC's contribution of \$99,000 of capital.

The rental value of the equipment used on this farming operation is \$57,000. This rental value is derived by the following inputs:

- Partner A's contribution of owned equipment with a rental value of \$12,000
- Partner B's contribution of leased equipment with a rental value of \$12,000
- Partner C's contribution of owned equipment with a rental value of \$12,000
- Partnership ABC's contribution of owned equipment with a rental value of \$21,000.

**Note:** If equipment is owned, a rental value that is normal for the area **must** be used when determining its value.

Each partner is equally providing active personal labor and active personal management; therefore, no value is assigned to these contributions in determining the total value of the farming operation.

The total value of this farming operation is equal to \$300,000.

**93 Total Value of a Farming Operation (Continued)****D Example 2**

The following is the **scenario** for this example.

Partnership ABC has 3 equal partners, A, B, and C. Partnership ABC farms 1,500 acres of cropland growing cotton and soybeans.

Partner A contributes land with a total rental value of \$5,000 to the partnership. Partner A cash-rents this land from a landowner with no interest in Partnership ABC's farming operation.

Partner B contributes land with a total rental value of \$5,000 to the partnership. Partner B cash-rents this land from a landowner with no interest in Partnership ABC's farming operation.

Partner C contributes land with a total rental value of \$5,000 to the partnership. Partner C owns this land.

Partnership ABC contributes land with a total rental value of \$69,000 to the farming operation. Partnership ABC owns this land. Partnership ABC contributes owned equipment with a rental value of \$57,000 and \$159,000 of capital to the farming operation. The capital is borrowed from a local bank and is **not** secured by any of the partners individually.

Partnership ABC will hire all of the labor needed to conduct this farming operation. The labor cost for this operation will be \$30,000.

Each of the partners share equally in the management of this operation and no additional management is hired.

## 93 Total Value of a Farming Operation (Continued)

## D Example 2 (Continued)

This table shows the **contributions** made by the partners and Partnership ABC.

	Land	Capital	Equipment	Labor	Management	Total
Partner A	5,000	0	0		Active	5,000
Partner B	5,000	0	0		Active	5,000
Partner C	5,000	0	0		Active	5,000
Partnership ABC	69,000	159,000	57,000	30,000		315,000
Total	84,000	159,000	57,000	30,000		330,000

The total value of the farming operation was **determined** as follows.

The rental value of all the land involved in this farming operation is \$84,000. This rental value is derived by the following inputs:

- Partner A's contribution of cash-rented land with a value of \$5,000
- Partner B's contribution of cash-rented land with a value of \$5,000
- Partner C's contribution of owned land with a rental value of \$5,000
- Partnership ABC's contribution of owned land with a rental value of \$69,000.

**Note:** If land is owned, a rental value that is normal for the area **must** be used when determining its value.

**93 Total Value of a Farming Operation (Continued)****D Example 2 (Continued)**

The total amount of capital needed by this farming operation is equal to \$159,000. This figure is arrived at by taking the total expenditures necessary to conduct this operation and subtracting any equipment, land, and labor costs that will be expended by the partnership. The capital for this operation is being provided by Partnership ABC.

The rental value of all of the equipment used on this farming operation is \$57,000. Partnership ABC is contributing owned equipment with a rental value of \$57,000.

**Note:** If equipment is owned, a rental value that is normal for the area **must** be used when determining its value.

All of the labor for this farming operation is hired by Partnership ABC and will cost \$30,000.

Each partner will equally provide active personal management; therefore, no value is affixed to this contribution in determining the total value of the farming operation.

The total value of this farming operation is equal to \$330,000.

**94-104 (Reserved)**

**Part 3 Payment Limitation Rules****Section 1 Payment Limitation by Direct Attribution****105 Program Payment and Benefit Limitations****A Person or Legal Entity**

Program payments and benefits specified in paragraphs 34 and 36 are limited to:

- persons
- legal entities

**B Joint Operation**

Program payments and benefits to a joint operation are limited by the total number of persons and legal entities that are first level ownership members multiplied times the dollar amount of the limitation of the program specified in paragraph 36.

**106 Payment Reductions****A Proportionate Reductions**

Payments made to a legal entity will be reduced proportionately by an amount that represents the direct or indirect ownership of a person or legal entity that has otherwise reached the applicable maximum payment limitation.

**107 Payment Attribution Defined (7 CFR 1400.105)****A Payments to a Person**

Program payments made, directly or indirectly to a person, are combined with the pro rata interest held in any other legal entity that received payments, **unless** the payments to the legal entity were reduced by the pro rata share of the person.

**B Payments to a Legal Entity**

Program payments made directly to a legal entity are attributed to those persons that have a direct and indirect interest in the legal entity, **unless** the payments to the legal entity have been reduced by the pro rata share of the person.

107 Payment Attribution Defined (7 CFR 1400.105) (Continued)

**C Cooperative Associations**

Farm program payments issued to a cooperative association on behalf of eligible producers will be attributed to the members as persons.

**D Attribution Levels**

Payment attribution to a legal entity will be tracked through 4 levels of ownership in the legal entity according to this table.

<b>Levels of Ownership</b>	<b>Payment Attribution</b>
First	Any payment made to a legal entity that is owned in whole or in part by a person will be attributed to the person in the amount that represents direct ownership interest in the payment entity.
Second	Any payment made to a legal entity that is owned in whole or in part by another legal entity at the second level will be attributed to this entity in the amount that represents the direct ownership interest in the payment entity.  <b>Note:</b> If the second level entity is owned in whole or on part by a person, the amount of payment made to the payment entity will be attributed to the person in the amount that represents the indirect ownership interest in the payment entity.
Third and Fourth	Any payments made to a legal entity at the third and fourth levels of ownership must be attributed in the same manner as at the first and second levels of ownership.
Fourth Only	If any part to the ownership interest at the fourth level is owned by another legal entity, a reduction in payment will be applied to the payment entity in the amount that represents the indirect ownership interest of the fourth level entity in the payment entity.

**107 Payment Attribution Defined (7 CFR 1400.105) (Continued)****E Definition of Common Attribution (7 CFR 1400.101 and 1400.102)**

Common attribution means crediting payments made to persons or legal entities collectively to 1 limitation, for the applicable program, based on a specific or unique relationship between the persons or legal entities.

Common attribution only applies to the following relationships:

- minor child and living parent or legal guardian (paragraph 108)
- revocable trust using Social Security number of grantor where grantor is the parent of a minor child (paragraph 109)
- parent organization and secondary organization with the parent organization exercises complete control over the secondary organization (paragraph 322)
- public schools in a State that does **not** meet population exception (paragraph 310)
- LLC using Social Security number when the sole interest holder is the parent of a minor child (paragraph 257).

See 3-PL (Rev. 2) for using CCC-904 to designate payments because of common attribution.

**108 Specific Rules for Attributing Payments to a Minor Child and Parent****A Definition of Minor Child**

[7 CFR 1400.101] Minor child means a person who is **not** 18 years of age on or before June 1 of the current year.

**June 1 of the applicable year must be the date used for the determination of minor child.**

**Notes:** Court action conferring majority on this person does **not** change this person's status as a minor child.

Payments to a minor child will continue to be attributed to his or her parent for the applicable crop year, program year, or FY even though the age of majority is reached during the year.

## 108 Specific Rules for Attributing Payments to a Minor Child and Parent (Continued)

**B Payments to a Minor Child**

Payments issued to a minor child:

- are attributed to the parent or court-appointed person who is responsible for the child
- who is a beneficiary of a trust or heir of an estate, are attributed to the parent or court-appointed person who is responsible for the child.

**Exception:** If both parents are receiving program payments, the minor child payments will be attributed to the parent receiving the larger amount in program payments.

If a revocable trust, program payments will be attributed **only** to the grantor of the revocable trust.

**C Exception to Rule**

Payments to a minor child will **not** be attributed to a parent or court-appointed person for payment limitation purposes if **both** of the following requirements are met:

- the minor child is a producer on a farm
- neither the minor child's parents nor court-appointed person has any interest in the minor child's farm or production from that farm.

**D Exception Restrictions**

\*--Either of the following **must** be met for the minor child to remain under the exception in--\* subparagraph C:

- the minor child meets **all** of the following:
  - has established and maintains a separate household from the parent or court appointed person
  - personally carries out the farming activities in his or her operation
    - \*--maintains a separate accounting for his or her farming operation, or--\*
- the minor child meets **all** of the following:
  - does **not** live in the same household as his or her parents
  - is represented by a court-appointed person responsible for the minor child
  - has ownership of the farm vested in him or her.



**109 Specific Rules for Attributing Payments to a Trust**

**A Attribution of Payments for Revocable and Irrevocable Trusts**

Program payments to an irrevocable trust will be attributed to its beneficiaries.

Program payments to a revocable trust will be attributed **only** to the grantor of the revocable trust.

**Note:** Follow rules for common attribution according to paragraph 107.

**110 Ownership Interest for Direct Attribution Purposes**

**A Determining Ownership Interest (7 CFR §1400.104 and §1400.105)**

Ownership interest that a person or legal entity holds in a legal entity that receives payment subject to limitation for the program year will be determined according to the following table.

<b>IF the legal entity...</b>	<b>THEN the date for the determination of ownership interest is...</b>
existed on June 1 of the year for which program benefits were requested	June 1.
did <b>not</b> exist on June 1 of the year for which program benefits are requested	the date the legal entity was formed.

**B Changes in Ownership Interest**

See this part for policy on changes in ownership interests.

**111 Notification of Interests – Legal Entity Responsibilities****A Introduction**

The Food Security Act of 1985, as amended, requires the entity to provide the information in subparagraph B. These requirements ensure that USDA can adequately control payment limitation by direct attribution.

**B Responsibility for Providing Information Rule [7 CFR 1400.107]**

Each legal entity that submits a contract for a program or an application for payment **must** provide COC the name, address, and TIN of each person and embedded legal entity that holds or acquires any interest, directly or indirectly, in the entity-earning payment. This information will be recorded on CCC-901 or CCC-902E. See paragraph 113.

\*--FSA/CCC payments to a legal entity will be reduced in proportion to a member's ownership share when a valid taxpayer identification number for a person or legal entity holding less than a 10 percent direct or indirect ownership interest at or above the fourth level of ownership in the business structure is not provided to USDA. Additionally, a legal entity will not be eligible to receive a payment when a valid taxpayer identification number for a person or legal entity holding a 10 percent or greater direct or indirect ownership interest at or above the fourth level of ownership in the business structure is not provided to USDA.

**Notes:** Legal entities must provide names and address of each person and embedded legal entity that holds or acquires an interest, directly or indirectly, in the entity.

NRCS programs require each legal entity to provide the name, address, and TIN of each person and embedded legal entity that holds or acquires any interest, directly or indirectly, in the entity-earning payment.--\*

**C Information Deadline**

Required information on CCC-902E and/or CCC-901 must be filed according to the deadlines established for each applicable program for which payments are requested.

The legal entity earning payment must provide the completed CCC-901 to COC when CCC-902E is filed **manually**.

## 111 Notification of Interests – Legal Entity Responsibilities (Continued)

**\*--D Nondisclosure of Name and Address Results**

If the legal entity fails to provide COC with the name and address of each applicable person and legal entity, COC must:

- deny any payment earned by the legal entity
- notify the legal entity of the denied payment and reason for denial
- **not** be responsible for notifying the members
- permit the legal entity to cancel the applicable contract or application according to applicable program procedures.

**E Nondisclosure of TIN Results**

If the legal entity fails to provide COC with a valid TIN for any person or embedded legal entity holding less than a 10 percent direct or indirect ownership interest in the legal entity, COC must:

- notify the legal entity that:
  - the applicable payment limitation for the legal entity will be reduced by the ownership share held by individuals or embedded entities for which a valid TIN was not provided, and the individual holds a less than 10 percent ownership share in the legal entity
  - payments to the legal entity will be reduced by the ownership share held by individuals or embedded entities for which a valid TIN was not provided, and the individual or embedded entity holds a less than 10 percent ownership share in the legal entity

**Note:** Reductions will be based on the highest level where a TIN is missing or invalid. See examples in subparagraph F.

- **not** be responsible for notifying the members
- permit the legal entity to cancel the applicable contract or application according to applicable program procedures.--\*

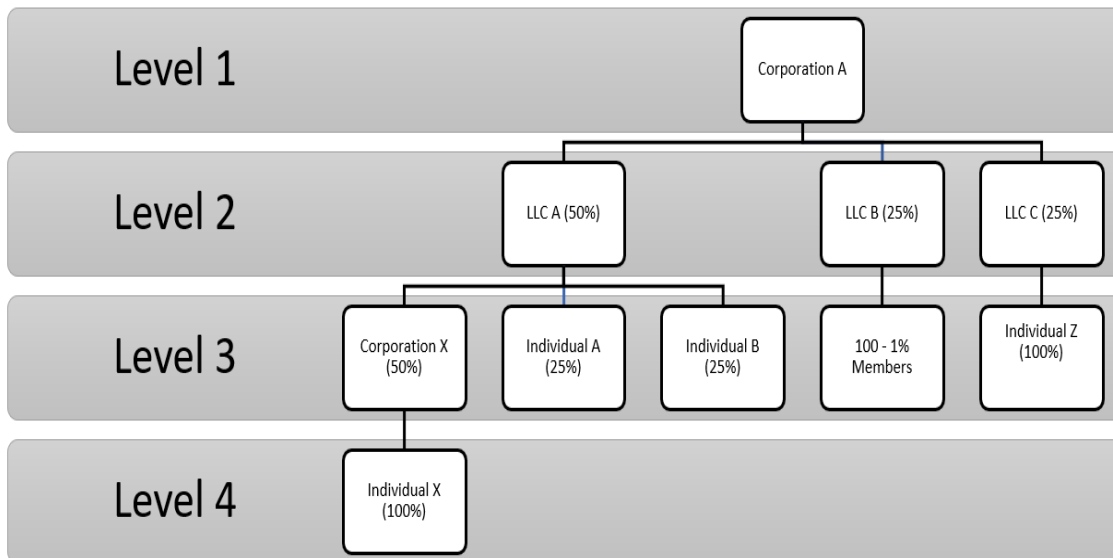
111 Notification of Interests – Legal Entity Responsibilities (Continued)

**\*--E Nondisclosure of TIN Results**

If the legal entity fails to provide COC with a valid TIN for any person or embedded legal entity holding a 10 percent or greater direct or indirect ownership interest in the legal entity, COC must:

- deny any payment earned by the legal entity
- notify the legal entity of the denied payment and reason for denial
- **not** be responsible for notifying the members
- permit the legal entity to cancel the applicable contract or application according to applicable program procedures.

**F Examples of Reductions for Failure to Provide Valid TIN**



**\*--Example 1:**Using the hierarchy above, Corporation A is able to provide the TIN’s for itself and all embedded entities and individuals except for the 100 individual members of LLC B. The payment reduction applied to Corporation A will total 25% due to failure to provide TIN’s for any members of LLC B.--\*

**111 Notification of Interests – Legal Entity Responsibilities (Continued)****F Examples of Reductions for Failure to Provide Valid TIN (Continued)**

**\*--Example 2:** Using the same hierarchy, Corporation A is able to provide the TIN's for itself and all embedded entities and individuals except a valid TIN for LLC A. The embedded LLC A holds a 50% ownership share of Corporation A, as a result, Corporation A is ineligible for payment. While TIN's may have been provided for the membership of LLC A, Corporation A is ineligible for payment because a valid TIN was not provided for LLC A itself.--\*



**112 Notification Exceptions****A Introduction**

All legal entities receiving payment, including embedded legal entities, must submit the documentation required in paragraph 111, **unless** an exception in subparagraph B applies.

**B Exception**

Notification requirements do **not** apply if the legal entity is tax exempt under Internal Revenue Code, Section 501(c).

**Notes:** Approval by IRS must be indicated by providing COC with a copy of either of the following:

- IRS determination letter notifying the organization or legal entity of approval as a tax exempt entity for the year
- copy of the organization's or legal entity's most recently filed IRS Form 990 or comparable IRS tax form.

Documentation **not** effective for the current year may be accepted if COC is satisfied the status for the current year is the same as supported by the documentation.

**113 Completing CCC-901's****A Who Must Complete CCC-901's**

Each legal entity that submits a contract for a program or an application for payment **must** provide the member's information required on CCC-901. Completing a manual CCC-901 for the collection of member information is not required when this same information is collected and recorded through the business file process used for filing farm operating plans. For information on the use and output of the business file process, see 3-PL (Rev. 2), Part 10.

**Exception:** If manually filing CCC-902E and CCC-901, CCC-901 is **not** required if **all** the first level members are persons.

**Note:** New CCC-901's are **not** required to be filed in subsequent years unless there are changes in the operation.

**B Filing Responsibility**

The legal entity that is earning payment is responsible for obtaining and providing the required information to COC.

**C Filing and Distribution**

File the original CCC-901 in the legal entity's payment limitation folder and give a copy to the payment entity. Attach the original of CCC-901 to the manual CCC-902E or automated CCC-902.



113 Completing CCC-901's (Continued)

**D Completing CCC-901's for 2014 and Subsequent Years**

Complete CCC-901 according to this table.

Item	Instruction
1 and 2	Enter name of the recording county and State where the farming operation is located. If in more than 1 county, enter the name of the county that has been designated as the recording county.
3	Enter current program year, or the year for which this information is applicable.
<b>Part A</b>	Enter name and complete TIN of the legal entity earning the payment.
1	Enter the names of the members making up the legal entity listed in Part A. This could be a person or legal entity.
2	Enter TIN's of the members.
3	Enter address of each member of the legal entity.
4	Enter percent share of the legal entity that each member owns.
5	Select: <ul style="list-style-type: none"> <li>• "Yes", if member has signature authority for this entity</li> <li>• "No", if member does <b>not</b> have signature authority for this entity.</li> </ul>
<b>Part B</b>	If any member listed in Part A, item 1 is a legal entity; that is, part of another partnership, corporation, etc., enter name and complete TIN of the embedded legal entity. If more than 1 member is a legal entity, use a separate, supplemental sheet to provide the requested information for each embedded legal entity.
1	Enter names of the members making up the legal entity listed in Part B. This could be a person or legal entity.
2	Enter TIN's of the members.
3	Enter address of each member of the entity.
4	Enter percent share of the legal entity that each member owns.
5	Select: <ul style="list-style-type: none"> <li>• "Yes", if member has signature authority for this entity</li> <li>• "No", if member does <b>not</b> have signature authority for this entity.</li> </ul>

## 113 Completing CCC-901's (Continued)

## D Completing CCC-901's for 2014 and Subsequent Years (Continued)

Item	Instruction
<b>Part C</b>	If any member listed in Part B, item 1 is a legal entity; that is, part of another partnership, corporation, etc., enter name and complete TIN of the embedded legal entity. If more than 1 member is a legal entity, use a separate, supplemental sheet to provide the requested information for <b>each</b> embedded legal entity.
1	Enter names of the members making up the legal entity listed in Part C. This could be a person or legal entity.
2	Enter TIN's of the members.
3	Enter address of each member.
4	Enter percent share of the legal entity that each member owns.
5	Select: <ul style="list-style-type: none"> <li>• "Yes", if member has signature authority for this entity</li> <li>• "No", if member does <b>not</b> have signature authority for this entity.</li> </ul>
<b>Part D</b>	If any member listed in Parts A, B, or C is a minor child, provide the following information about that member. If none of the members listed in Parts A-C are a minor child, check "N/A" (not applicable), then GO TO Part E.
1	Minor's Name.
2	Minor's Date of Birth.
3	Name of the minor's parent or guardian.
4	Address of the parent or guardian.
5	Tax Identification Number (TIN) of parent or guardian.  <b>Note:</b> If the complete TIN is already on file at FSA, only the last 4 digits are required.

113 Completing CCC-901's (Continued)

D Completing CCC-901's for 2014 and Subsequent Years (Continued)

Item	Instruction	
6	<b>IF any minor listed in Part D...</b>	
(a)	is a producer on a farm and the parent or guardian has <b>no</b> interest	<b>"Yes"</b> .
	is a producer on a farm and the parent or guardian has an interest in the farming operation	<b>"No"</b> .
(b)	maintains a separate household from the parent or guardian and personally carries out <b>all</b> farming activities with respect to the minor's own farming operation, including maintaining separate accounting	<b>"Yes"</b> .
	does <b>not</b> maintain a separate household from the parent or guardian and does <b>not</b> personally carry out <b>all</b> farming activities with respect to the minor's own farming operation, including maintaining separate accounting	<b>"No"</b> .
(c)	who is represented by a court-appointed guardian or conservator, lives in a household other than the parents' households, and has a vested ownership in the farm	<b>"Yes"</b> .
	who is represented by a court-appointed guardian or conservator, does <b>not</b> live in a separate household other than the parents' households, and does <b>not</b> have a vested ownership in the farm	<b>"No"</b> .
(d)	If "Yes" is selected for all items 6(a) through 6(c), write the name of the minor in the space provided.	

113 Completing CCC-901's (Continued)

D Completing CCC-901's for 2014 and Subsequent Years (Continued)

Item	Instruction
<b>Part E</b>	If any member listed in Parts A, B, or C is not a U.S. citizen, provide the following information about that member. If all of the members listed in Parts A-C are U.S. citizens, check "N/A" (not applicable), then go to Part F.
7A	Check "YES" if all members/shareholders are U.S. citizens. Go to Part F.  Check "NO" if 1 or more members/shareholders is not a U.S. citizen. Complete item 7 B.
7B	For each member/shareholder who is not a U.S. citizen:  <ul style="list-style-type: none"> <li>• enter name of individual</li> <li>• check if Form I-551 is valid.</li> </ul> Go to Part F.
<b>Part F</b>	<b>Certification</b>
1	An individual member, or an authorized representative of the entity in Part A, must sign the certification.
2	If an authorized representative for the entity in Part A signs CCC-901, use this item to show the individual's representative capacity. For example, "Agent" or "Attorney-in-fact."
3	Enter the date CCC-901 was signed.

113 Completing CCC-901's (Continued)

E Example of CCC-901

The following is an example of a completed CCC-901.

This form is available electronically.		OMB Control Number: 0560-0297 Expiration Date: 03/31/2021		
CCC-901 (09-28-20)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. County Johnson County	2. State TX	
<b>MEMBER'S INFORMATION</b>		3. Program Year 2020		
<p><small><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify members of a legal entity. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</small></p> <p><small><b>Paperwork Reduction Act (PRA) Statement:</b> This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B).</small></p> <p><small><b>Public Burden Statement:</b> For CFAP 2.0 only, public reporting burden for this collection is estimated to average 30 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection, or USDA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</small></p>				
<p><b>PART A - For each individual or entity who is a member of this entity, list the member's name, social security/employer identification number, address and percentage share of ownership. If a member has both types of identification numbers, list both.</b></p>				
Name of Legal Entity <u>Flatland Farms LLC</u>		Complete Tax ID Number <u>XX</u> - <u>XXXXXX</u>		
1. Member's Name	2. SSN or Tax ID Number <i>(Last 4 digits if already on file)</i>	3. Address	4. Percent Share	5. Does this member have signature authority for the legal entity? <i>(Yes or No)</i>
William A Farmer	xxxx	123 Antelope Road Centerville, OK XXXXX-XXXX	50 %	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Jane C Farmer	xxxx	123 Antelope Road Centerville, OK XXXXX-XXXX	25 %	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
William B Farmer Trust	xxxx	321 Rush Ave. Centerville, OK XXXXX-XXXX	25 %	<input type="checkbox"/> YES <input type="checkbox"/> NO
			%	<input type="checkbox"/> YES <input type="checkbox"/> NO
			%	<input type="checkbox"/> YES <input type="checkbox"/> NO
<p><b>PART B - Embedded Entities:</b> For any member listed in Part A, who is an entity, list such embedded entity's name and list the requested information for each member of such entity. If a member has both types of identification numbers, list both. If more than one member, listed in Part A is an entity, provide the requested information for each entity on supplemental sheets.</p>				
Name of Embedded Legal Entity <u>William B Farmer Trust</u>		Complete Tax ID Number <u>XX</u> - <u>XXXX</u>		
1. Member's Name	2. SSN or Tax ID Number <i>(Last 4 digits if already on file)</i>	3. Address	4. Percent Share	5. Does this member have signature authority for the legal entity? <i>(Yes or No)</i>
John D Farmer	xxxx	123 Antelope Road Centerville, OK XXXXX-XXXX	50 %	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Teresa E Farmer	xxxx	123 Antelope Road Centerville, OK XXXXX-XXXX	50 %	<input type="checkbox"/> YES <input type="checkbox"/> NO
			%	<input type="checkbox"/> YES <input type="checkbox"/> NO
			%	<input type="checkbox"/> YES <input type="checkbox"/> NO
			%	<input type="checkbox"/> YES <input type="checkbox"/> NO
<p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410, (2) fax: (202) 690-7442, or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</small></p>				

113 Completing CCC-901's (Continued)

E Example of CCC-901 (Continued)

CCC-901 (09-28-20) Name of Entity (as identified in Part A): Flatland Farms LLC Page 2 of 2

**PART C - Embedded Entities:** For any member listed in Part B, who is an entity, list such embedded entity's name and list the requested information for each member of such entity. If a member has both types of identification numbers, list both. If more than one member, listed in Part B is an entity, provide the requested information for each entity on supplemental sheets.

Name of Embedded Legal Entity		Complete Tax ID Number		
1. Member's Name	2. SSN or Tax ID Number. (Last 4 digits if already on file)	3. Address	4. Percent Share	5. Does this member have signature authority for the legal entity? (Yes or No)
			%	<input type="checkbox"/> YES <input type="checkbox"/> NO
			%	<input type="checkbox"/> YES <input type="checkbox"/> NO
			%	<input type="checkbox"/> YES <input type="checkbox"/> NO

**PART D - Minor Members or Shareholders -** For any member or Shareholder who is a minor, provide the following:  N/A

1. Minor's Name	2. Date of Birth (MM-DD-YYYY)	3. Parent's or Guardian's Name	4. Parent's or Guardian's Address	5. Parent's or Guardian's SSN or Tax ID No. (Last 4 digits if already on file)
Teresa Farmer	12-13-2009	Jane C Farmer	123 Antelope Road Centerville, OK XXXXX-XXXX	XXXX

6. Separate Status of Minors

(a) Is any minor a producer on a farm in which the parent or guardian has no interest?  YES  NO

(b) Does any minor maintain a separate household from the parent or guardian and personally carry out farming activities with respect to the minor's farming operation, including maintaining separate accounting?  YES  NO

(c) Does any minor who is represented by a court-appointed guardian or conservator responsible for the minor: 1) live in a household other than the parents' household(s), and 2) have a vested ownership in the farm?  YES  NO

(d) If any minor with an interest in this farming operation can answer "YES" to Items 6(a)-6(c), list that minor's name:

**Part E. Foreign Persons -** For any Member or Shareholder who is a foreign person, provide the following:

7A. **Citizenship Status -** Is each Member and Shareholder of the legal entity identified in Part A, and any embedded entity identified in Parts C, D and E a U.S. Citizen?  
 YES, all members/shareholders are US Citizens - Go to Part F  NO, one or more members/shareholders is not a US Citizen - Complete Item 7B

7B. For each member or shareholder (direct or embedded) who is not a US Citizen, provide the following:

(1) Name of Individual	(2) This individual has a valid Form I-551	FOR FSA USE ONLY	
		Form I-551 Presented to FSA	CCC Initials
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	

**PART F - CERTIFICATION - By Signing:**  
 - I certify that I have signature authority for the entity identified in Part A and all information entered on this document is true and correct  
 - I understand that furnishing incorrect information will result in forfeiture of payments and benefits.  
 - I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in the information provided.

1. Representative's Signature (By)	2. Title/Relationship of Individual Signing in the Representative President, Flatland Farms LLC	3. Date (MM-DD-YYYY)
------------------------------------	--	----------------------

**114 Exceptions to Payment Limitation for Inheritance and Estates****A Inheritance [7 CFR 1400.1]**

Payments received directly or indirectly by a person may exceed the applicable limitation if **all** the following apply to the heir/beneficiary:

- ownership interest in the land or commodity was transferred because of death
- the new owner (heir/beneficiary) succeeds to contract
- the new owner (heir/beneficiary) meets all other eligibility requirements.

**Note:** This provision also applies to an ownership interest in a legal entity received by inheritance if the legal entity was the owner of the land enrolled in an annual or multi-year program contract or agreement at the time of the shareholder's death.

The new owner (heir/beneficiary) determined eligible **cannot** exceed the amount the previous owner was entitled to receive under the applicable program contracts at the time of death. If the new owner (heir/beneficiary) meets **all** program and payment eligibility requirements, this provision will apply as follows:

- for ARC and PLC, 1 program year

**Note:** The year of contract succession is the 1 program year.

- for CRP and multi-year agreements and contracts, the term of the contract or agreement including extension periods.

**114 Exceptions to Payment Limitation for Inheritance and Estates (Continued)****B Estates**

Payments received by an estate will be:

- restricted by the amount applicable to any other legal entity
- attributed to the heirs.

Heirs of an estate will **not** be restricted to the applicable limitation if the estate succeeds to a contract of the deceased individual. If the estate meets **all** program and payment eligibility requirements, this provision will apply as follows:

- for ARC and PLC, 1 program year
- for CRP and multi-year agreements and contracts, the term of the contract or agreement including extension periods.

**Note:** Estate heirs who succeed to the estate's contract may also exceed the applicable limitation if **all** program and payment eligibility requirements are met. If the first program year has already passed, heirs payments **cannot** exceed the ARC and PLC limitation for an additional year.

**115-124 (Reserved)**



**Section 2 Substantive Change Requirements****125 Changes in Farming Operations Resulting in the Increase in Persons [7 CFR 1400.104]****A Background**

The Food Security Act of 1985, as amended, requires that the Secretary **not** approve, for purposes of applying payment limitations, any change in a farming operation that will increase the number of persons for payment, unless the Secretary determines that the change is bona fide and substantive. The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) revised the definition of “person”. “Person” means a “natural person” and does not include a legal entity.

**B Substantive Change Rule [7 CFR 1400.104]**

COC may **not** approve any change in a farming operation, including, but not limited to, establishing a new farming operation containing any person that was a member of the previous year’s farming operation, that will otherwise increase the number of persons to which payment limitation is applied for the current year, unless a substantive change in the farming operation occurs for the current year.

**Note:** The comparison for substantive change purposes is between the current year’s farming operation and the prior year’s farming operation in which a farm operating plan was filed and payment limitation is applied. Payment attribution will be used to determine increases in limitations.

Substantive Change provisions apply to all programs subject to a payment limitation.

**126 Application of Substantive Change Rule****A Factors Requiring the Application of Substantive Change Rule**

The Substantive Change Rule applies when **both** of the following elements are present:

- There are changes in a farming operation from a prior year that result in “commonality” between the farming operation in the current year and a farming operation in a prior year; in other words, there is the ability to link a person (directly or indirectly) **and** land to a farming operation in a prior year.

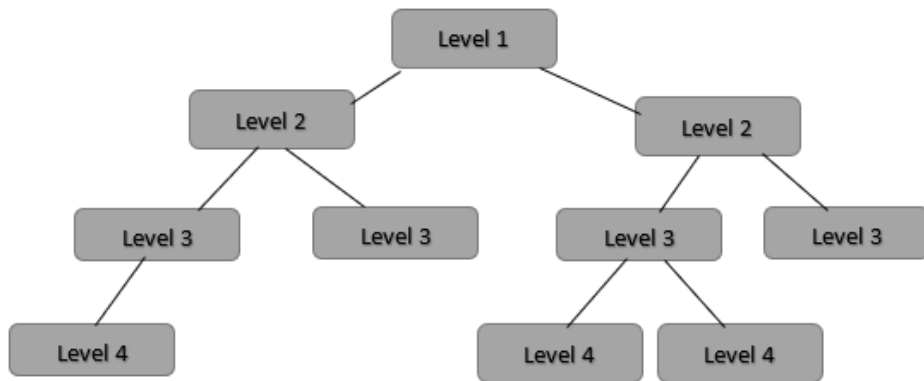
126 Application of Substantive Change Rule (Continued)

A Factors Requiring the Application of Substantive Change Rule (Continued)

- There is an increase in the number of persons that have not participated in a program subject to payment limitation at or above, the fourth level of ownership in a legal entity or joint operation.

**Note:** Members added below the fourth level of ownership in a legal entity or joint operation are not considered an increase in persons to which payment limitation applies. Ownership interests below the fourth level of ownership are ineligible for payment.

The following diagram illustrates the 4 levels of ownership of a legal entity or joint operation.



126 Application of Substantive Change Rule (Continued)

**B When Substantive Change Is Required**

This table illustrates that substantive change is **required** for the current year’s farming operation when both elements of commonality exist (some of the same persons, legal entities or joint operations farming some of the same land in a prior year’s farming operation) **and** there is an overall increase in persons to which payment limitation applies.

<b>If the farming operation is conducted by...</b>	<b>Substantive Change is required when...</b>
a new joint operation	any of the persons in the new joint operation did not participate (directly or indirectly) in a program subject to limitation in a prior year.
an existing joint operation	<p>1 or more persons are added to the existing joint operation that did <b>not</b> participate (directly or indirectly) in a program subject to limitation in a prior year - resulting in an overall increase in the number persons to which payment limitation applies.</p> <p><b>Notes:</b> Even if there is no overall increase in persons within the joint operation, substantive change is still required if both apply:</p> <ul style="list-style-type: none"> <li>• <b>any</b> of the departing persons continue to participate in a program subject to limitation on the same land farmed by the joint operation in a prior year; <b>and</b></li> <li>• a new person is added to the farming operation that has not participated in programs subject to limitation in a prior year.</li> </ul> <p>If there is addition of more than 1 person and the farming operation does not have a substantive change, a representative of the farming operation must identify which person(s) will not be recognized.</p>
a new legal entity	some, but <b>not</b> all, of the persons who are stockholders or partners in the new legal entity participated directly or indirectly in a program subject to limitation in a prior year; <b>and</b> any of the stockholders have other farming interests.
an existing legal entity	any of the persons who are stockholders, including stockholders in an embedded entity have ownership interest in any other farming operation.

126 Application of Substantive Change Rule (Continued)

**C When Substantive Change Is Not Required**

This table illustrates when the substantive change rule does **not** apply even though there may be commonality between the current year’s farming operation and a prior year’s farming operation.

<b>IF the farming operation is conducted by...</b>	<b>THEN Substantive Change is not required when...</b>
an individual	the farming operation is that of the individual.
a new joint operation	either of the following occurred: <ul style="list-style-type: none"> <li>• <b>none</b> of the persons who are members (including persons who are members of an embedded legal entity or joint operation) participated in programs subject to payment limitation or were associated with any farming operation that participated, directly or indirectly, in programs subject to limitation in a prior year</li> <li>• <b>all</b> the persons (including persons who are members of an embedded legal entity or joint operation) participated in programs (directly or indirectly) subject to limitation in a prior year.</li> </ul>
a new legal entity	<b>none</b> of the persons who are shareholders (including persons who are members of an embedded legal entity or joint operation) participated, directly or indirectly, in programs subject to limitation in a prior year.
an existing legal entity	1 or more persons are added to the legal entity and <b>none</b> of the persons who are stockholders have interest in any other farming operation. <p><b>Note:</b> The legal entity remains restricted to 1 limitation <b>regardless</b> of the number of shareholders.</p>

126 Application of Substantive Change Rule (Continued)

**D Changes Made by June 1 [7 CFR 1400.5]**

Ownership interest that a person holds in a legal entity or joint operation that receives payment subject to limitation for the program year will be determined according to the following table.

<b>IF the legal entity or joint operation...</b>	<b>THEN the date for the determination of ownership interest is...</b>
existed on June 1 of the year for which program benefits were requested	June 1.
did <b>not</b> exist on June 1 of the year for which program benefits are requested	the date the legal entity or joint operation was formed.

**E Changes Not Made by June 1 [7 CFR 1400.5]**

COC may determine that a change in ownership interest after June 1 is considered relevant or effective for the current year if:

- change of ownership interest is because of death of an interest holder
- the legal entity or joint operation did not exist on June 1 of the applicable year
- the change of ownership interest is because of the addition of a minor child (family member) when the parent or legal guardian is also a member, partner or stockholder in the same farming operation.

**Note:** COC must also consider rules for attributing payments to a minor child according to paragraph 108.

If COC determines the change is **not** relevant or effective for the current year, consider the change to be effective for the subsequent year.

127 Substantive Change Requirements When an Increase in Limitation Occurs

A Meeting Substantive Change

When there is an increase in persons to which payment limitation applies and commonality is determined, the farming operation must have a substantive change for the determining authority to approve the increase in persons for payment limitations. If bona fide, any 1 of the following is considered a substantive change.

Change	Requirement
Family Member	Adding 1 or more family members to a farming operation (at any ownership level), according to the adult family member provision as specified in paragraph 222, allows recognizing the added family members.
Land Rental	For a landowner <b>only</b> , a change from cash-rent to share-rent.
Increase in acres of Agricultural Land	<p>An increase through acquiring land used for agricultural purposes <b>not</b> previously involved in the farming operation. The increase in agricultural land:</p> <ul style="list-style-type: none"> <li>• <b>must</b> be at least 20 percent or more of the total acres of agricultural land involved in the farming operation</li> <li>• will be applicable for the increase of <b>only</b> 1 person to the farming operation.</li> </ul> <p>A State Office specialist may approve additional persons based on the magnitude and complexity of the change in the farming operation represented and if the increase in acres of agricultural land supports additional persons or legal entities to the farming operation. See subparagraph B.</p>
Ownership	<p>A change in ownership by sale or gift of equipment, land or livestock from a person or legal entity previously engaged in the farming operation to a person or legal entity who has <b>not</b> been engaged in this operation is considered substantive, <b>only</b> if:</p> <ul style="list-style-type: none"> <li>• the transferred amount is commensurate with the new person’s share of the farming operation</li> <li>• the sale or gift of land, equipment or livestock was based on fair market value of the land, or equipment</li> </ul>

127 Substantive Change Requirements When an Increase in Limitation Occurs (Continued)

A Meeting Substantive Change (Continued)

Change	Requirement
Ownership (Continued)	<ul style="list-style-type: none"> <li>• the former owner has no control over the sold or gifted land, equipment or livestock</li> <li>• the transaction was <b>not</b> financed by the former owner</li> <li>• preference was <b>not</b> given to the former owner to re-purchase the land, equipment or livestock at a later date.</li> </ul>
Equipment	<p>The addition of equipment <b>not</b> previously involved in the farming operation may be considered substantive, if the rental value of the additional equipment contributed is commensurate with the new person’s (direct or indirect) share of the rental value of all equipment used in the farming operation.</p>

**Note:** Substantive changes **must** be “arm’s length” business transactions. Documents **must** be provided to support any of the changes in this subparagraph.

B Increases of More Than 1 Person for Payment Limitation Purposes

If acres of agricultural land are increased more than 20 percent and the farming operation is requesting to add more than 1 member for payment limitation, the:

- authorized representative of the farming operation **must**:
  - submit written request for recognizing more than 1 additional member
  - include the reasons why additional members for payment limitation purposes are to be recognized
  - provide any other relevant documentation to support the request
- COC **must**:
  - document the request in the COC minutes
  - forward the request with comments or recommendations to the State Office
  - include all documentation provided by the producer

**127 Substantive Change Requirements When an Increase in Limitation Occurs (Continued)****B Increases of More Than 1 Person for Payment Limitation Purposes (Continued)**

- State Office specialist designated to act on these requests **must**:
  - timely review requests and all supporting documentation
  - obtain STC comments, if determined necessary, on the request
  - approve or disapprove the requests
  - record all requests and determinations in the STC minutes
  - notify COC/County Office, in writing, of the determination
  - instruct COC/County Office to provide written notification of the determination to the producer and include appeal rights if considered adverse.

**128 Determinations When Substantive Change Is Not Met****A If Substantive Change Is Not Met**

If there is an increase in the number of persons subject to payment limitation in a farming operation that results in applying the substantive change provisions, and substantive change is **not** met by the farming operation:

- continue to recognize the persons for payment limitation purposes (that were recognized in the previous year) for the current and future years
- consider the new persons in the farming operation ineligible for payment when the farming operation did **not** meet the substantive change until substantive change is met.

**Note:** The eligible person's shares **cannot** be adjusted to circumvent the ineligibility of the new person.



128 Determinations When Substantive Change Is Not Met (Continued)

**B Duration of Ineligibility**

Determinations that result in disapproving the increase in persons to which payment limitation applies must be perpetual until the farming operation realizes a bona-fide substantive change according to paragraph 127.

Users must ensure that the substantive change determination is recorded in Business File according to 3-PL (Rev. 2) for the current determination and any subsequent determination that may be required, until it is determined the farming operation has met the substantive change requirements.

129 Examples for Applying Substantive Change

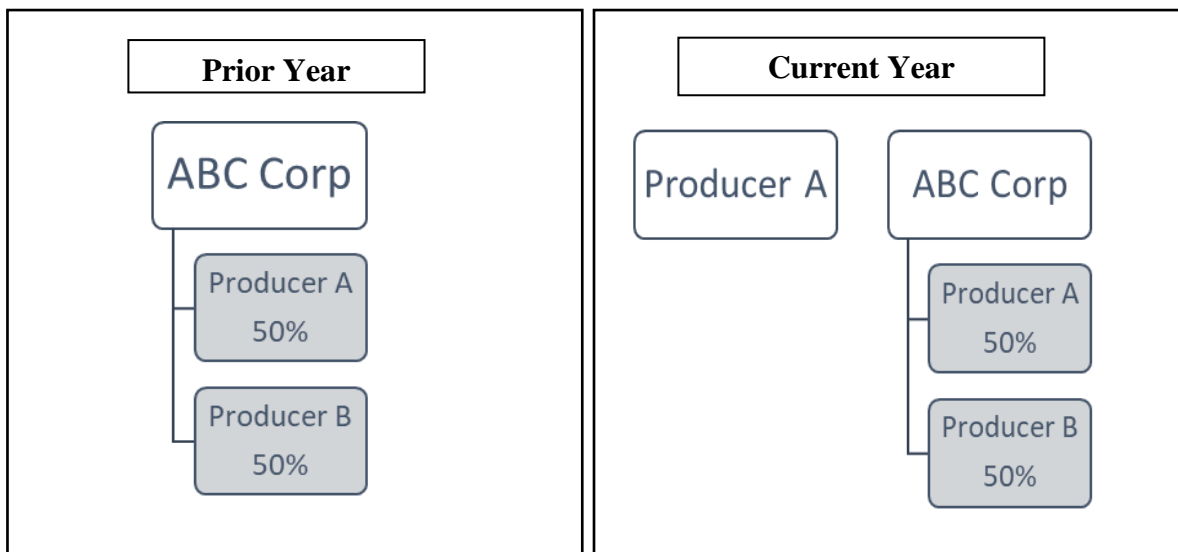
**A Individual Beginning to Farm**

**Example 1 - Individual Beginning to Farm**

**Situation:**

ABC Corp. operated farmland in the prior year and participated in programs subject to payment limitation provisions. Producer A and Producer B are equal share stockholders in the corporation. Neither Producer A nor Producer B had other farming interests.

In the current year, Producer A begins to farm some of the same land previously farmed by ABC Corp. Producer A will also retain his equal share in ABC Corp for the current year, that will continue to farm the rest of the acreage from the prior year’s farming operation.



129 Examples for Applying Substantive Change (Continued)

**A Individual Beginning to Farm (Continued)**

**Analysis:**

Is there commonality in the 2 farming operations? Yes, the same member of ABC Corp (Producer A) is farming some of the same land previously farmed by ABC Corp.

Is there an increase in persons to which payment limitation applies from ABC Corp in the prior year? No. Payment limits are controlled by attribution of amounts received both directly and indirectly; therefore, the earnings of Producer A will be summed with Producer A’s indirect earnings from ABC Corp. There is no increase in persons for payment limitation purposes.

**Determination:**

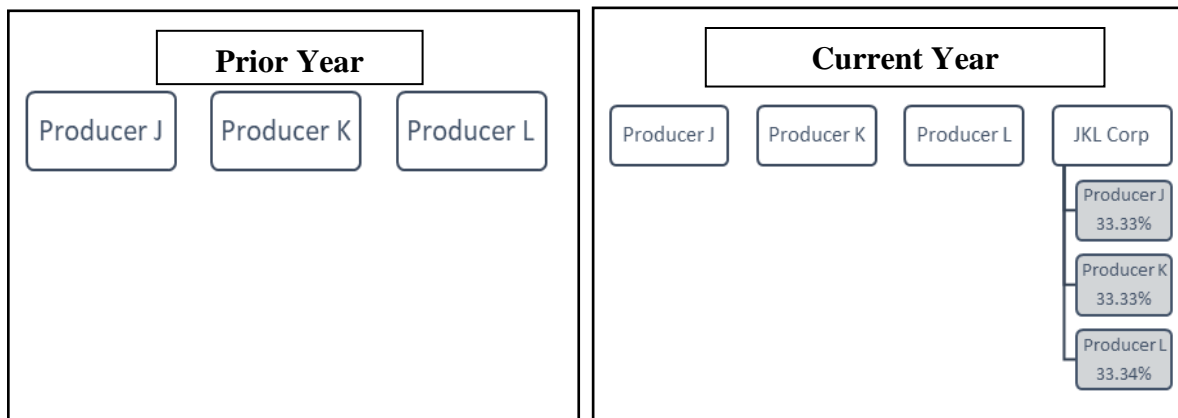
Substantive Change requirements do not apply. Although there is commonality (same land and same persons) between the 2 farming operations, there is no overall increase in persons for payment limitation.

**B New Legal Entity Beginning to Farm**

**Example 2 - New Legal Entity Beginning to Farm**

**Situation:**

Producer J, Producer K, and Producer L each have separate and unrelated farming operations, which if continued unchanged, qualify for 3 separate payment limitations. Producers J, K, and L propose a new farming operation by forming a corporation, JKL Corp, in which each person is an equal stockholder. The entity would cash lease a portion of the cropland previously operated by each of the Producers J, K, and L.



129 Examples for Applying Substantive Change (Continued)

**B New Legal Entity Beginning to Farm (Continued)**

**Analysis:**

Is there commonality in the 2 farming operations? Yes. The new entity, JKL Corp, is comprised of the same Producers J, K, and L, who participated in programs subject to limitation in the prior year **and** will be farming some of the same land previously farmed by 1 or more of the 3 persons.

Is there an increase in limitations from the 3 persons in the prior year? No. Payment limits are controlled by attribution, therefore the earnings of the 3 persons and their indirect earnings through JKL Corp will not result in an overall increase in persons for payment limitation in the current year.

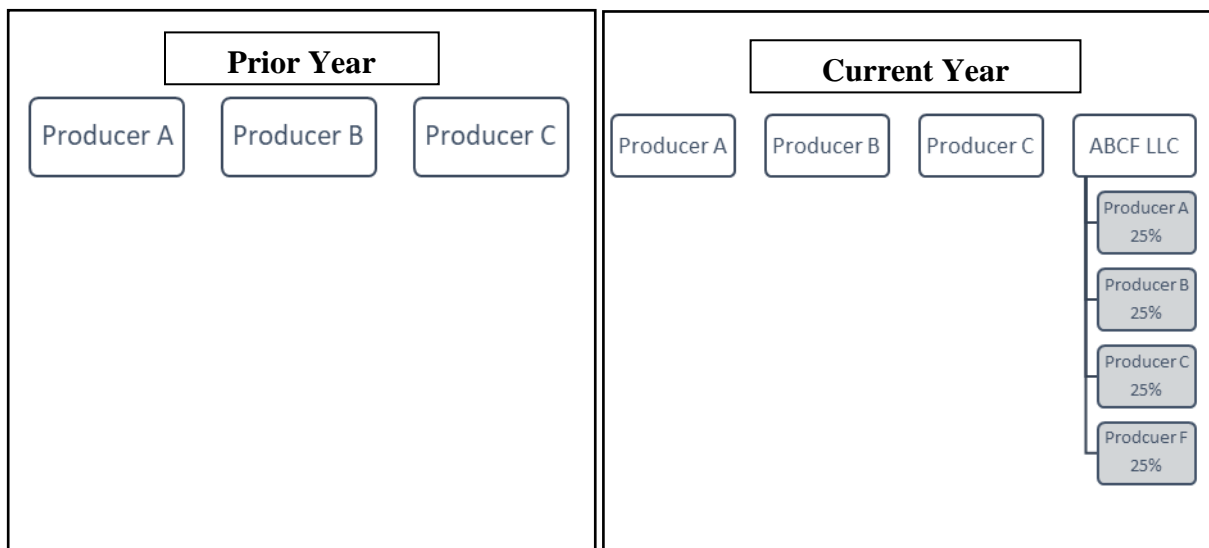
**Determination:**

Substantive change requirements do not apply. There is no overall increase in persons for payment limitation considering payment attribution.

**Example 3 – New Legal Entity Beginning to Farm**

**Situation:**

Producer A, Producer B, and Producer C each have separate and unrelated farming operations, which if continued unchanged, qualify for 3 separate payment limitations. Producers A, B, and C propose a new farming operation, in addition to their individual operations, by forming a limited liability corporation, ABCF LLC. ABCF LLC adds an additional member, Producer F who has not participated in programs subject to limitation in a prior year. The 4 members are equal stockholders in the entity. The entity is **not** farming any of the land previously farmed by the 3 persons in the prior year.



129 Examples for Applying Substantive Change (Continued)

**B New Legal Entity Beginning to Farm (Continued)**

**Analysis:**

Is there commonality in the 2 farming operations? No. Although the new entity includes Producers A, B, and C who participated in programs subject to limitation in a prior year, the new entity is not farming any land previously farmed by Producers A, B, and C. There is no change in the prior year’s farming operation(s).

Is there an increase in limitations from the 3 persons in the prior year? No. ABCF LLC is a new legal entity that is not farming any of the land previously farmed by Producer A, Producer B, or Producer C. There is no change in Producer A’s, Producer B’s, or Producer C’s farming operation from the prior year.

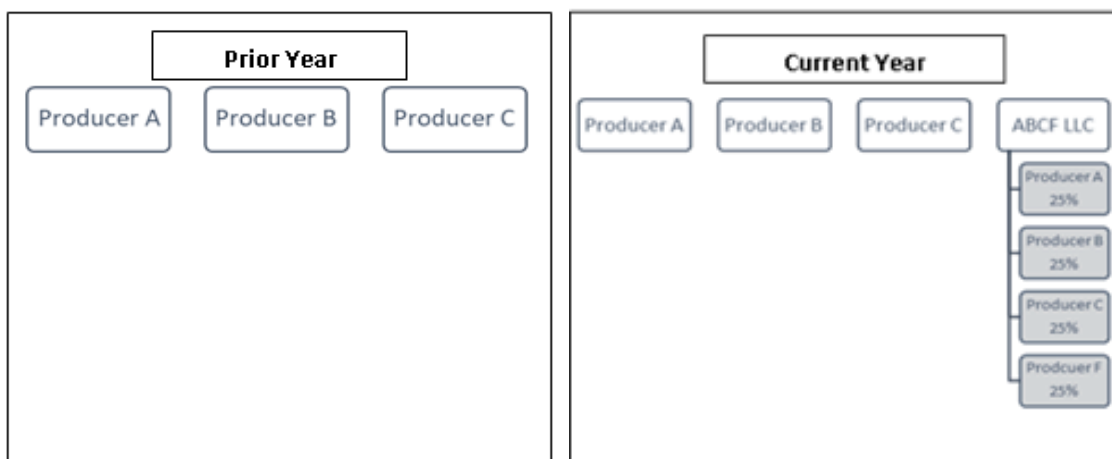
**Determination:**

Substantive Change requirements do not apply to the new legal entity. There is not commonality between the farming operations from the prior year, and the farming operation of the new legal entity. The new legal entity is not farming any of the same land previously farmed by Producers A, B, and C. Therefore, there is no change in Producer A’s, B’s, and C’s individual farming operations from the prior year.

**Example 4 – New Legal Entity Beginning to Farm**

**Situation:**

Producer A, Producer B, and Producer C each have separate and unrelated farming operations, which if continued unchanged, qualify for 3 separate payment limitations. Producers A, B, and C propose a new farming operation, in addition to their individual operations, by forming a limited liability corporation, ABCF LLC. ABCF LLC adds an additional member, Producer F who has not participated in programs subject to limitation. The 4 members are equal stockholders in the entity. The new legal entity **is** farming some of the land previously farmed by the 3 persons in the prior year.



**129 Examples for Applying Substantive Change (Continued)****B New Legal Entity Beginning to Farm (Continued)****Analysis:**

Is there commonality in the 2 farming operations? Yes. The new legal entity includes Producers A, B, and C who participated in programs subject to limitation in a prior year; and the new legal entity is farming some of the same land previously farmed by Producers A, B, and C.

Is there an increase in limitations from the 3 persons in the prior year? Yes. Some, but not all, of the persons who are members of the new legal entity, ABCF LLC, participated in programs subject to limitation in a prior year. The addition of Producer F to the new legal entity results in an increase in persons for payment limitation.

**Determination:**

Substantive Change requirements apply to the new legal entity to recognize Producer F's share. There is commonality between the farming operations from the prior year and the new legal entity's farming operation. There is also an increase in persons to which payment limitation applies. The new legal entity must provide acceptable documentation supporting a bona fide change in the farming operation occurred.

**Result:**

Depending on the determination whether the new legal entity met Substantive Change, the substantive change determination for Producer F must be recorded in Business File as "Eligible" or "Not Eligible" according to 3-PL (Rev. 2). Producers A, B, and C will be set to "Eligible" to continue recognizing they are not an increase in persons for Payment Limitation from the prior year.

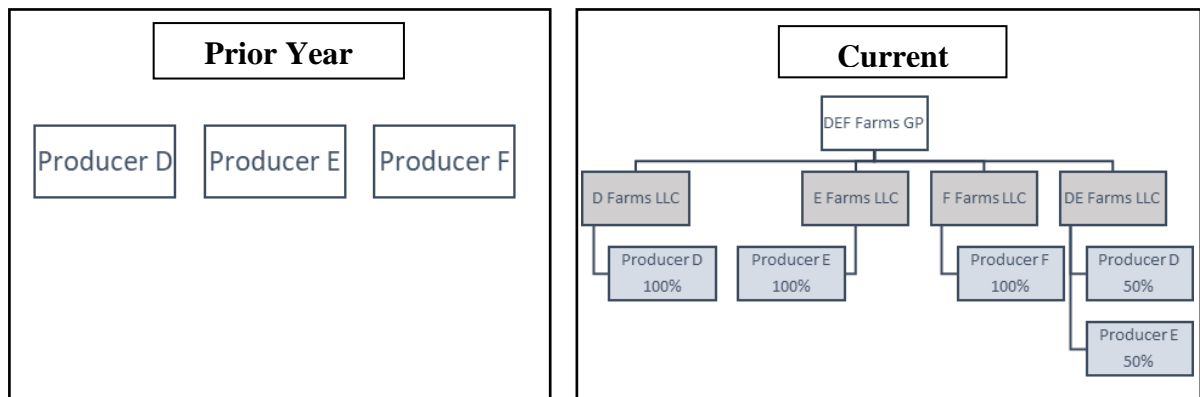
129 Examples for Applying Substantive Change (Continued)

C New Joint Operation Beginning to Farm

Example 5 – New Joint Operation Beginning to Farm

Situation:

Producer D, Producer E, and Producer F each have separate and unrelated farming operations, which if continued unchanged, qualify for 3 separate payment limitations. Producers D, E, and F each individually create an LLC and form a new General Partnership, DEF Farms, with each individual LLC as shareholders. A fourth LLC member, DE Farms LLC, with Producer D and Producer E as equal shareholders, is added to the General Partnership. The four LLC's are equal members in DEF Farms, and the general partnership is farming all the land previously farmed by Producer D, Producer E, and Producer F in the prior year.



Analysis:

Is there commonality in the 2 farming operations? Yes. DEF Farms GP is farming land previously farmed by Producers D, E, and F from the prior year and the members of each of the LLC's is Producer D, E and F.

Is there an increase in persons for payment limitation from the 3 producers in the prior year? No. Payments are limited by attribution, therefore the earnings of the 3 producers as individuals and their indirect earnings through DE Farms LLC will not result in an overall increase in persons for payment limitation in the current year.

Determination:

Substantive change requirements do not apply. There is no overall increase in persons for payment limitation through attribution.

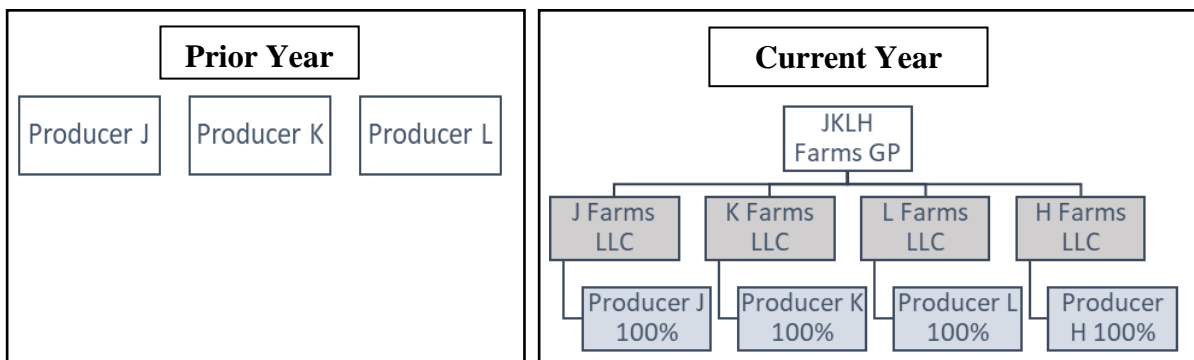
129 Examples for Applying Substantive Change (Continued)

C New Joint Operation Beginning to Farm (Continued)

Example 6 – New Joint Operation Beginning to Farm

Situation:

Producer J, Producer K, and Producer L each have separate and unrelated farming operations, which if continued unchanged, qualify for 3 separate payment limitations. Producers J, K, and L each individually create an LLC and form a new General Partnership, JKLH Farms, with each individual LLC as members. A fourth LLC member, H Farms LLC, with Producer H as the sole member, is added to the General Partnership. Neither H Farms LLC, nor Producer H have ever participated in programs subject to limitation. The four LLC's are equal members in, JKLH Farms, and the general partnership is farming all the land previously farmed by Producer J, Producer K, and Producer L in the prior year.



Analysis:

Is there commonality in the 2 farming operations? Yes. JKLH Farms GP is farming land previously farmed by Producers J, K, and L who are also shareholders of the LLC's that are members of JKLH Farms GP.

Is there an increase in limitations from the 3 persons in the prior year? Yes. In this case, there are 3 new LLC's that include persons that participated in programs subject to limitation in a prior year. Producer H, through H Farms LLC is a new person that has not participated in programs subject to limitation in a prior year. Producer H, through H Farms LLC, is an additional person to which payment limitation applies.

129 Examples for Applying Substantive Change (Continued)

C New Joint Operation Beginning to Farm (Continued)

**Determination:**

Substantive change requirements apply. There is commonality between the 3 persons who participated in programs subject to limitation in a prior year and a fourth payment limitation was added in the current year to the new general partnership.

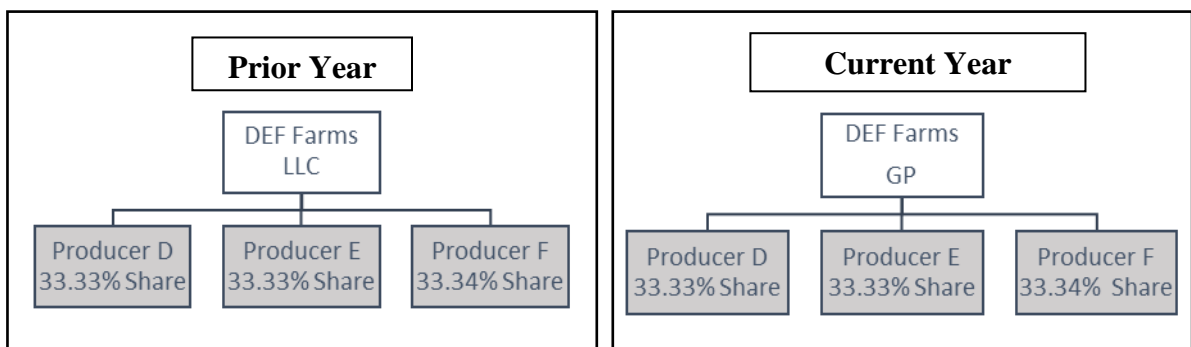
**Result:**

Substantive change determinations must be recorded in Business File according to 3-PL (Rev. 2). Depending on the determination whether the farming operation of JKLH General Partnership met Substantive Change, the determinations for Producer H (within H Farms LLC) must be recorded in Business File as “Eligible” or “Not Eligible” according to 3-PL (Rev. 2).

**Example 7 – New Joint Operation Beginning to Farm**

**Situation:**

DEF LLC is comprised of 3 shareholders; Producer D, Producer E, and Producer F all with equal shares of the LLC. The LLC participated in programs subject to payment limitations in the previous year and was eligible for 1 payment limit. In the current year, the producers decide to restructure DEF LLC and create DEF Farms General Partnership. The General Partnership will contain Producers D, Producer E, and Producer F as members with equal shares, and will farm all the land previously farmed by DEF LLC.





129 Examples for Applying Substantive Change (Continued)

C New Joint Operation Beginning to Farm (Continued)

**Analysis:**

Is there commonality in the 2 farming operations? Yes. DEF Farms GP will operate all the land that was previously farmed by DEF LLC, and all the members of DEF Farms were shareholders of DEF LLC in the previous year.

Is there an increase in limitations from the prior year? No. The members of DEF Farms GP participated in programs subject to payment limitation in a prior year indirectly through DEF Farms LLC.

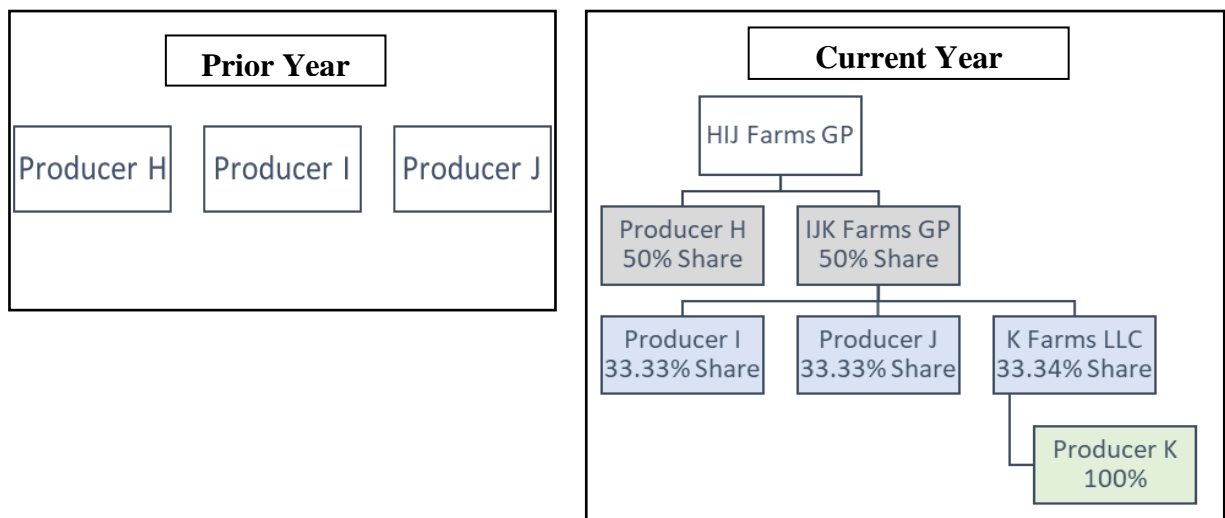
**Determination:**

Substantive change requirements do not apply.

**Example 8 – New Joint Operation Beginning to Farm**

**Situation:**

Producer H, Producer I, and Producer J each have separate and unrelated farming operations, which if continued unchanged, qualify for 3 separate payment limitations. Producers H, I, and J form a new General Partnership, HIJ Farms GP, with Producer H and another new general partnership (IJK Farms GP) as members. IJK Farms GP consists of Producer I, Producer J, and K Farms LLC. Producer K (through K Farms LLC) has never participated in programs subject to payment limitation. HIJ Farms GP, is farming all the land previously farmed by Producer H, Producer I, and Producer J in the prior year.



**129 Examples for Applying Substantive Change (Continued)****C New Joint Operation Beginning to Farm (Continued)****Analysis:**

Is there commonality in the 2 farming operations? Yes. HIJ Farms GP is farming land previously farmed by Producers H, I, and J who are also members of the new general partnerships HIJ Farms GP and IJK Farms GP.

Is there an increase in persons to which payment limitation applies from the 3 persons in the prior year? Yes. Some, but not all the persons who are members of the new embedded General Partnership, IJK Farms GP, participated in programs subject to payment limitation in a prior year. Producer K (through K Farms LLC) is an additional person to which payment limitation applies of the embedded GP from the prior year because Producer K (through K Farms LLC) participated in programs subject to limitation in a prior year.

**Determination:**

Substantive change requirements apply. There is commonality between the 3 producers who participated in programs subject to limitation in a prior year and there is an increase in persons who has not participated in programs subject to payment limitation. Producer K (through K Farms LLC) was added in the current year to the new IJK Farms General Partnership. HIJ Farms GP must have a substantive change to recognize the increase in “persons” to which payment limitation applies.

**Result:**

Substantive change determinations must be recorded in Business File according to 3-PL (Rev. 2). Depending on the determination whether the farming operation of HIJ Farms General Partnership met Substantive Change, the determinations for Producer K (within K Farms LLC) must be recorded in Business File as “Eligible” or “Not Eligible” according to 3-PL (Rev. 2).

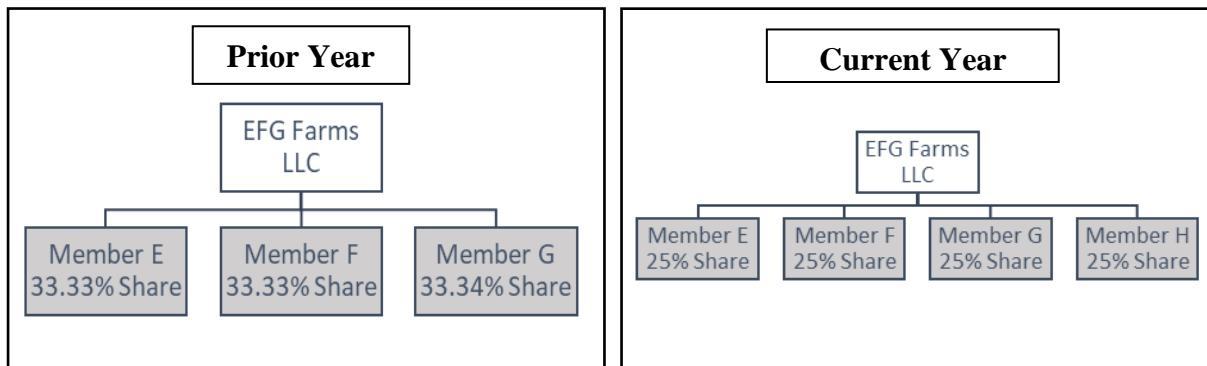
129 Examples for Applying Substantive Change (Continued)

**D Existing Legal Entity**

**Example 9 – Addition of a Stockholder to an Existing Legal Entity**

**Situation:**

EFG LLC is comprised of Member E, Member F, and Member G; all with equal shares of the LLC. The LLC participated in programs subject to payment limitation provisions in the previous year and was eligible for 1 payment limit. In the current year EFG LLC will add Member H to now include 4 members with equal shares within the LLC. Member H has not participated in programs subject to limitation in a prior year. EFG LLC will continue to operate all the farmland it operated in the previous year. None of the members of the EFG Farms LLC has any other farming interests.



**Analysis:**

Is there commonality in the 2 farming operations? Yes. EFG LLC is farming land previously farmed by the LLC from the prior year and 1 or more members are common to the prior year’s farming operation.

Is there an increase in payment limitations from the 1 limitation in the prior year? No. The addition of stockholder Member H to EFG LLC does not increase the overall persons for payment limitation allowed for the LLC.

**Note:** If any of the members do have an interest in any other farming operations, then the addition of Member H would be considered an increase in persons to which payment limitation applies.

**Determination:**

Substantive change requirements do not apply when none of the shareholders have other farming interests. Although there is commonality in the farming operations, the addition of Member H to EFG LLC does not result in an overall increase in the number of persons to which payment limitation applies from the prior year.

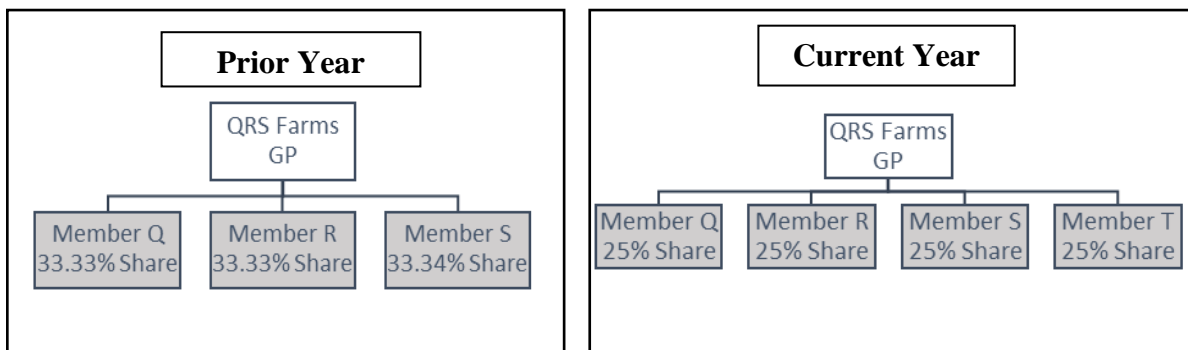
129 Examples for Applying Substantive Change (Continued)

**E Existing Joint Operation**

**Example 10 – Changes to an Existing Joint Operation**

**Situation:**

QRS Farms is a general partnership comprised of 3 family members Producer Q, Producer R, and Producer S, all with equal shares of the general partnership. QRS Farms participated in programs subject to payment limitations provisions in a prior year and was eligible for 3 payment limits. In the current year, a fourth member (Member T) is added to the general partnership. Member T has not participated in programs subject to payment limitation in a prior year. The general partnership will contain Member Q, Member R, Member S, and Member T with equal shares, and will farm all the land previously farmed by QRS Farms.



**Analysis:**

Is there commonality in the 2 farming operations? Yes. QRS Farms is farming all land previously farmed by the general partnership from the prior year and there are members in common between the current year’s farming operation and the prior year’s farming operation.

Is there an increase in persons for payment limitation from the 3 persons in the prior year? Yes. Some, but not all the first level members of the new General Partnership participated in programs subject to payment limitation in a prior year. The addition of Member T is an additional person for payment limitation from the prior year.

**Determination:**

Substantive change requirements apply to the General Partnership. There is commonality between the prior year’s farming operation and the current year’s farming operation and there is an increase in persons to which payment limitation is applied in the current year.

**Result:**

Substantive change determinations for Member T must be recorded in Business File as “Eligible” or “Not Eligible” according to 3-PL (Rev. 2).

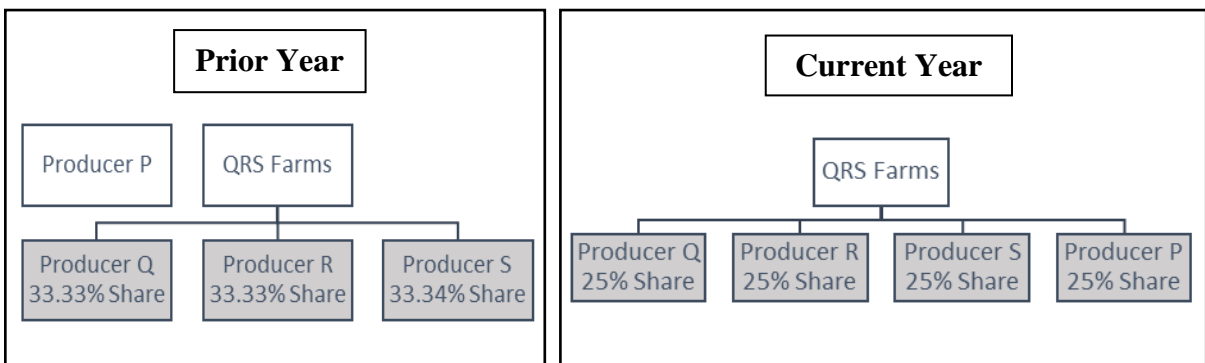
129 Examples for Applying Substantive Change (Continued)

E Existing Joint Operation (Continued)

Example 11 – Changes Within an Existing Joint Operation

Situation:

QRS Farms is a general partnership comprised of 3 members; Producer Q, Producer R, and Producer S all with equal shares of the general partnership. QRS Farms participated in programs subject to payment limitations provisions in the previous year and was eligible for 3 payment limits. In the current year, a fourth member (Producer P) is added to the general partnership. Producer P participated in programs subject to payment limitation in a prior year. The general partnership will contain Producers Q, Producer R, Producer S, and Producer P with equal shares, and will farm all the land previously farmed by QRS Farms and Producer P.



Analysis:

Is there commonality in the 2 farming operations? Yes. QRS Farms is farming land previously farmed by Producers P, and QRS Farms from the prior year.

Is there an increase in limitations from the 3 persons in the prior year? No. The addition of Producer P in QRS Farms does not represent an increase in persons to which payment limitation applies from the prior year because **all** members participated in programs subject to limitation in a prior year.

Determination:

Substantive change requirements do not apply. There is no overall increase in persons to which payment limitation applies from the prior year.

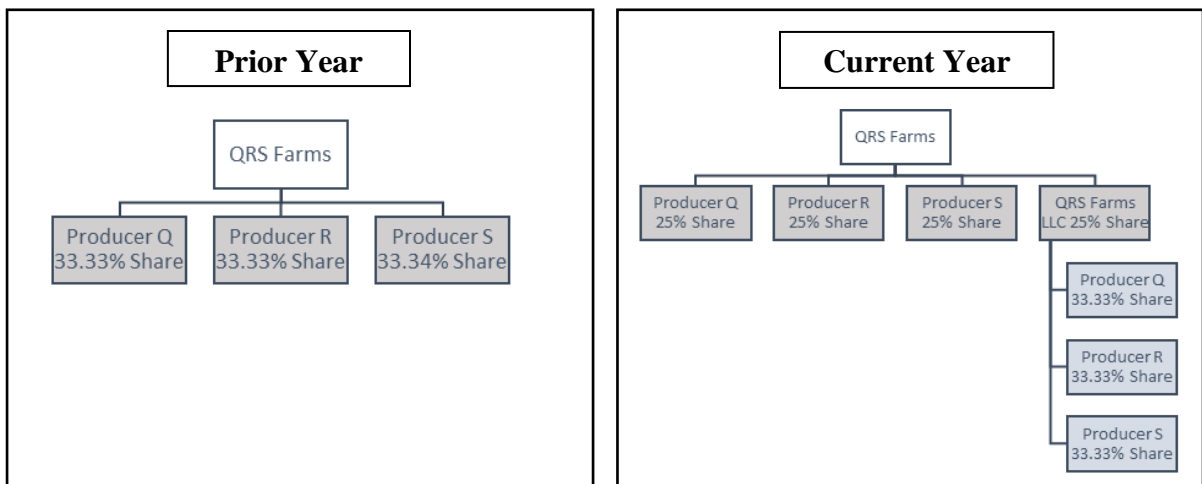
129 Examples for Applying Substantive Change (Continued)

E Existing Joint Operation (Continued)

Example 12 – Changes Within an Existing Joint Operation

Situation:

QRS Farms is a general partnership comprised of 3 members Producer Q, Producer R, and Producer S, all with equal shares of the general partnership. QRS Farms participated in programs subject to payment limitations provisions in the previous year and was eligible for 3 payment limits. In the current year, the producers decide to form QRS Farms LLC, and add the LLC as a member in the general partnership. Producers Q, R, and S are all equal share members of the newly formed LLC. The general partnership will contain Producers Q, Producer R, Producer S, and QRS Farms LLC with equal shares, and will farm all the land previously farmed by QRS Farms.



Analysis:

Is there commonality in the 2 farming operations? Yes. QRS Farms GP is farming all land previously farmed by the general partnership from the prior year.

Is there an increase in persons to which payment limitation applies from the 3 producers in the prior year? No. The creation of QRS Farms LLC is comprised of stockholders who participate in programs subject to limitation in a prior year. There is no overall increase in persons to which payment limitation applies.

Determination:

Substantive change requirements do not apply. There is no overall increase in persons to which payment limitation applies.

130-140 (Reserved)

**Part 4 Payment Eligibility Provisions**

**Section 1 Actively Engaged in Farming Rules**

**141 General Considerations**

**A Introduction**

For a person or legal entity to be considered actively engaged in farming, the participant **must** make a significant contribution of certain farming inputs that are commensurate and at risk. This paragraph lists and defines significant contributions.

**B General Provisions**

In general, for a person or legal entity to be considered actively engaged in farming, **all** the requirements of this table **must** be met.

Item	Requirement
1	Significant “left-hand” contributions to the farming operation of 1 or a combination of the following: <ul style="list-style-type: none"> <li>• capital</li> <li>• equipment</li> <li>• land.</li> </ul> <p><b>Note:</b> See paragraph 202 for an exception applicable to sharecroppers.</p>
2	Significant “right-hand” contributions to the farming operation of 1 or a combination of the following: <ul style="list-style-type: none"> <li>• active personal labor</li> <li>• active personal management.</li> </ul> <p><b>Note:</b> See paragraph 152 for an exception applicable to landowners.</p>
3	A claimed share of the profits or losses from the farming operation that is commensurate with contributions to the farming operation.
4	Contributions that are at risk.

142 Significant Contribution of Capital, Equipment, and Land [7 CFR 1400.3]

**A Introduction**

When a significant contribution of capital, equipment, or land is required, use the rule in this paragraph to determine what is considered significant.

**B Rules for Significant Contributions**

This table shows the general rules for determining when a significant contribution is provided to a farming operation by a person or legal entity.

Item	Rule
Capital	The capital <b>must</b> have a value equal to at least 50 percent of the person’s or legal entity’s commensurate share of the total capital necessary to conduct the farming operation, <b>excluding</b> outlays of capital for land or equipment.
Equipment	The equipment <b>must</b> have a rental value equal to at least 50 percent of the person’s or legal entity’s commensurate share of the total rental value of the equipment necessary to conduct the farming operation.
Land	The land <b>must</b> have a rental value equal to at least 50 percent of the person’s or legal entity’s commensurate share of the total rental value of the land necessary to conduct the farming operation.  <b>Note:</b> Share-rented land is a contribution of the landlord, <b>not</b> the share-renter.
Any combination of capital, equipment, and land	The combined contribution of capital, equipment, and land <b>must</b> have a value equal to 30 percent of the person’s or legal entity’s commensurate share of the total value of the farming operation.

**Note:** If capital does not qualify as a significant contribution, other sources of operating funds must be identified to meet the Rules for Significant Contributions of equipment or land.



**143 Custom Services****A Definition of Custom Services**

Custom services mean the hiring of a contractor or vendor that is in the business of providing such specialized services or to perform services for the farming operation in exchange for the payment of a fee for such services performed.

**B Applicability**

If a person, joint operation, or legal entity receives custom services in the farming operation:

- make actively engaged in farming determinations according to Part 5
- the ability to meet the cash-rent tenant provisions may be adversely affected on land that is cash-rented in the farming operation.

**Note:** The equipment used to perform the custom services **cannot** be considered a significant contribution of equipment toward meeting the actively engaged in farming requirements because the person, joint operation, or legal entity does **not** exercise complete control over the equipment.

**144 Specific Rules for Capital****A Introduction**

For capital to be a significant contribution to the farming operation, the capital contributed **must** meet the requirements of this paragraph.

**B Definition of Capital**

For payment eligibility purposes, capital means the funding provided by a person or legal entity to the farming operation for the operation to conduct farming activities.

**144 Specific Rules for Capital (Continued)****C General Rule**

The capital **must** be contributed directly to the farming operation from a fund or account separate and distinct from that of any other person or legal entity. with an interest in the farming operation.

Capital contributions to a farming operation **do not** include the following:

- the value of labor or management
- outlays for land or equipment.

An example of capital would be the funds used to pay for operating expenses such as seed, chemical, fertilizer, fuel, repairs, etc.

**D Source of Capital**

The capital may be a direct out-of-pocket input of either of the following:

- a specified sum by the person, legal entity, joint operation, or members of a joint operation
- an amount borrowed by the person or legal entity.

**Note:** Program payments are **not** considered a capital contribution for purposes of meeting the requirements of actively engaged in farming. The applicant is **not** eligible to receive program payments until **after** the determination of actively engaged in farming is made by COC or reviewing authority.

144 Specific Rules for Capital (Continued)

**E Borrowed Capital**

Capital used as a significant contribution may be borrowed. The rules in this table apply to borrowed capital.

<b>IF the farming operation is conducted by either of the following...</b>	<b>THEN borrowed capital must...</b>
<ul style="list-style-type: none"> <li>• a person</li> <li>• a joint operation, in which the capital is contributed by a member of the joint operation rather than by the joint operation itself</li> </ul>	<ul style="list-style-type: none"> <li>• be contributed directly to the farming operation by the applicable person or member</li> <li>• <b>not</b> have been acquired as a result of a loan made to, guaranteed by, co-signed by, or secured by any other person, legal entity, or joint operation that has an interest in the farming operation.</li> </ul>
<ul style="list-style-type: none"> <li>• a legal entity</li> <li>• a joint operation, in which the capital is contributed by the joint operation rather than by a member</li> </ul>	<ul style="list-style-type: none"> <li>• be contributed directly to the farming operation by the legal entity or joint operation</li> <li>• <b>not</b> have been acquired as a result of a loan made to, guaranteed by, co-signed by, or secured by any person, legal entity, or joint operation that has an interest in the <b>*--farming operation, except</b> all members of the joint operation, or all shareholders of the legal entity to which the loan is made.--*</li> </ul>

## 145 Specific Rules for Equipment

### A Introduction

To be credited as a significant contribution to the farming operation, owned or leased equipment **must** meet the requirements of this paragraph.

### B Definition of Equipment

For payment limitation purposes, equipment means the machinery and implements used by the farming operation to conduct activities of the farming operation. This includes:

- machinery and implements for:
  - land preparation, planting, cultivating, or harvesting of the crops involved
  - establishing and maintaining conservation cover crops or conservation use acreages
  - conducting livestock operations
- irrigation equipment that is:
  - **not** of a permanent nature
  - commonly used in the area.

Custom Services that include equipment must not be considered towards meeting a significant contribution of equipment except as allowed for rules applicable to cash rent tenant rules found in paragraph 165. See paragraph 143 for information on custom services.

### C Leased Equipment

COC's must annually establish, by February 1<sup>st</sup>, the following for leased equipment.

- Customary rental rates for the area. An example of sources used to determine this cost can be found in local University or Extension Service cost publications or from local equipment dealers.
- Payment date that is reasonable and customary for the area, taking in consideration whether the equipment is leased by the hour, day, or acre, or on an annual basis. An example of sources used to determine this date can be found in local University or Extension Service cost publications or from local equipment dealers.

145 Specific Rules for Equipment (Continued)

C Leased Equipment (Continued)

The equipment may be leased from any person, legal entity, or joint operation; however, use the following table to determine whether restrictions apply.

IF the equipment is leased from...	THEN the...
another person, legal entity, or joint operation that has an interest in the farming operation	<p>producer <b>must</b>:</p> <ul style="list-style-type: none"> <li>• be able to prove to COC that the equipment was leased at a fair market value</li> <li>• make the payment within the time determined by COC to be reasonable and customary for the area, taking into consideration whether the equipment is leased by the hour, day, or acre, or on an annual basis.</li> </ul>
a joint operation that has 1 or more members in common with the producer to whom the equipment is leased	
a person, legal entity, or joint operation <b>not</b> otherwise indicated in this table	restrictions provided in this table do <b>not</b> apply.

D Financing Rules for Equipment

The restrictions on financing for equipment in this table apply to both owned and leased equipment contributed for credit as a significant contribution.

IF the farming operation is conducted by either of the following...	THEN the equipment must...
<ul style="list-style-type: none"> <li>• a person</li> <li>• a joint operation, in which the equipment is contributed by a member of the joint operation rather than by the joint operation itself</li> </ul>	<ul style="list-style-type: none"> <li>• be contributed directly to the farming operation by the applicable person or member</li> <li>• <b>not have been</b> acquired as a result of a loan made to, guaranteed by, co-signed by, or secured by any other person, legal entity, or joint operation that has an interest in the farming operation.</li> </ul>
<ul style="list-style-type: none"> <li>• a legal entity</li> <li>• a joint operation, in which the equipment is contributed by the joint operation rather than by a member</li> </ul>	<ul style="list-style-type: none"> <li>• be contributed directly to the farming operation by the legal entity or joint operation</li> <li>• <b>not</b> have been acquired as a result of a loan made to, guaranteed by, co-signed by, or secured by any person, legal entity, or joint operation that has an <b>*--</b>interest in the farming operation, <b>except</b> all members of the joint operation, or all shareholders of the legal entity, to which the loan is made.<b>--*</b></li> </ul>

**145 Specific Rules for Equipment (Continued)****E Effects of Borrowed Capital on Equipment Contribution**

If any capital was borrowed by the person, legal entity, or joint operation from any other person, legal entity, or joint operation with an interest in the farming operation, the cash-leased equipment will **not** be considered as a significant contribution unless the person, legal entity, or joint operation can prove to COC that sufficient capital was available from another source to pay the cash lease.

**F Occasional Exchange of Equipment**

The occasional exchange of equipment, including labor, with a neighbor will **not** affect the contribution determination if each person or legal entity has adequate equipment, through ownership or lease, to conduct their farming operation in a manner normally acceptable for the area.

## 146 Specific Rules for Land

### A Introduction

To be considered a significant contribution to the farming operation, owned or cash-leased land **must** meet the requirements of this paragraph.

### B Definition of Land

For payment eligibility purposes, land means farmland consisting of cropland, pastureland, wetland, or rangeland that meets the specific requirements of the applicable program.

### C Leased Land

COC's must annually establish, by February 1<sup>st</sup>, the following for leased land.

- Customary rental rates for the area. An example of sources used to determine this cost can be found in local University or Extension Service cost publications \* \* \*.
- \*--Payment date that is reasonable and customary for the area, taking into consideration the terms of the lease. An example of sources used to determine this date can be found in local University or Extension Service cost publications.--\*

The land may be leased from any person, legal entity, or joint operation.

If the land is leased from another person, legal entity, or joint operation that has an interest in any crop or crop proceeds in the farming operation, the producer **must**:

- be able to prove to COC that the land was leased at a fair market value
- make the payment within the time determined by COC to be reasonable and customary for the area.

**Note:** Share-rented land is a contribution of the landlord, **not** the share-renter.

146 Specific Rules for Land (Continued)

**D Financing Rules for Land**

The restrictions in this table apply to both owned and leased land contributed for credit as a significant contribution.

<b>IF the farming operation is conducted by either of the following...</b>	<b>THEN the land must...</b>
<ul style="list-style-type: none"> <li>• a person</li> <li>• a joint operation, in which the land is contributed by a member of the joint operation rather than by the joint operation itself</li> </ul>	<ul style="list-style-type: none"> <li>• be contributed directly to the farming operation by the applicable person or member</li> <li>• <b>not</b> have been acquired as a result of a loan (including land acquired by Contract of Deed, Deed of Trust, Land Contract, or other similar arrangement) made to, guaranteed by, co-signed by, or secured by any other person, legal entity, or joint operation that has an interest in the farming operation.</li> </ul>
<ul style="list-style-type: none"> <li>• a legal entity</li> <li>• a joint operation, in which the land is contributed by the joint operation rather than by a member</li> </ul>	<ul style="list-style-type: none"> <li>• be contributed directly to the farming operation by the legal entity or joint operation</li> <li>• <b>not</b> have been acquired as a result of a loan (including land acquired by Contract of Deed, Deed of Trust, Land Contract, or other similar arrangement) made to, guaranteed by, co-signed by, or secured by any person, legal entity, or joint operation that has an interest in the *--farming operation, <b>except</b> all members of the joint operation, or all shareholders of the legal entity, to which the loan is made.--*</li> </ul>

**E Effects of Borrowed Capital on Land Contribution**

If any capital was borrowed by a person, legal entity, or joint operation from any other person, legal entity, or joint operation with an interest in the farming operation, cash-leased land will **not** be considered a significant contribution **unless** the person, legal entity, or joint operation can prove to COC that sufficient capital was available from another source to pay the cash lease.



**147 Significant Contribution of Active Personal Labor or Active Personal Management****A Introduction**

[7 CFR 1400.3] When a significant contribution of active personal labor or active personal management is required, use the rules in this paragraph to determine what is considered significant.

**B Definition of Active Personal Labor [7 CFR 1400.3]**

Active personal labor means personally providing physical activities necessary in a farming operation. These activities include physical activities:

- involved in land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities
- required to establish and maintain conserving cover crops or conserving use acreages
- required in livestock operations.

**C Definition of Active Personal Management [7 CFR 1400.3]**

Active personal management means personally providing:

- the general supervision and direction of activities and labor involved in the farming operation
- services, whether formed on-site or off-site, reasonably related and necessary to the farming operation, including any of the following:
  - supervision of activities necessary in the farming operation
  - business-related actions that include discretionary decision making
  - evaluation of the financial condition and needs of the farming operation
  - assistance in structuring or preparing financial reports or analyses for the farming operation

147 **Significant Contribution of Active Personal Labor or Active Personal Management (Continued)**

**C Definition of Active Personal Management [7 CFR 1400.3] (Continued)**

- consultations in or structuring of business-related financing arrangements for the farming operation
- marketing and promoting agricultural commodities produced by the farming operation
- acquiring technical information used in the farming operation
- any other management functions necessary to conduct the farming operation and for which the operation would ordinarily be charged a fee.

**D Rules on Significant Contribution [7 CFR 1400.3]**

This table shows the general rules for determining when a significant contribution is provided to a farming operation by a person or legal entity.

<b>Item</b>	<b>Rule</b>
Active personal labor	The active personal labor <b>must</b> be an amount that is the smaller of: <ul style="list-style-type: none"> <li>• 1,000 hours per either FY or crop year</li> <li>• 50 percent of the total hours that would be required to conduct a farming operation comparable in size to this person’s or legal entity’s commensurate share in the farming operation.</li> </ul>
Active personal management	The contribution of active personal management <b>must</b> be critical to the profitability of the farming operation, taking into consideration the person’s or legal entity’s commensurate share in the farming operation.
Any combination of labor and management	Combined contributions of active personal labor and active personal management <b>must</b> have a critical impact on the profitability of the farming operation in an amount at least equal to the significant contribution of either consideration when taken alone.

**Note:** If a member of a joint operation receives a guaranteed payment for any part of a contribution of labor or management, **exclude** all of the specific types of contributions for which payment is received.

## 148 Specific Rules for Active Personal Labor or Management

### A Introduction

It is difficult to measure a significant management contribution. The required hours of labor will be different in 1 type of farming operation than another. In some cases, it is difficult to distinguish between labor and management.

### B Basis for Decisions

Decisions **must** be based on COC's best judgment considering the following:

- requirements in this section
- intent of significant contribution provisions is to provide program benefits to bona fide farmers, personally providing meaningful inputs on the farm.

**Note:** COC's are given discretion to make the subjective decisions required.

### C Requiring Proof

If necessary, COC may require proof of who provides the following:

- labor equal to 50 percent or more of the person's or legal entity's commensurate share of the labor required

**Note:** Proof of labor exceeding 1,000 hours is **not** required.

- \*--management activities critical to the profitability of the farming operation and commensurate with the person's or legal entity's share in the farming operation--\*

\* \* \*

- a satisfactory contribution of a combination of labor and management.

149 Inputs for Commensurate Contributions

A Introduction

For a farming input to be considered toward satisfying the requirements of commensurate contributions, the requirements of this paragraph **must** be met.

B Rules for Commensurate Contributions

After the requirements for significant contributions have been met, apply the rules in this table when determining commensurate contributions.

Farming Input	General Rule	Requirements	
<ul style="list-style-type: none"> <li>• Capital</li> <li>• Equipment</li> <li>• Land</li> </ul>	Include if contributed directly to the farming operation by the person or legal entity.	<p><b>IF the contribution was acquired as a result of a loan to the...</b></p> <ul style="list-style-type: none"> <li>• farming operation in which the person or legal entity has an interest</li> <li>• person, legal entity, or farming operation:                             <ul style="list-style-type: none"> <li>• by the farming operation or any of its members, beneficiaries, or related entities</li> <li>• that was guaranteed or secured by the farming operation or any of its members, beneficiaries, or related entities</li> </ul> </li> </ul>	<p><b>THEN the loan must...</b></p> <ul style="list-style-type: none"> <li>• bear the prevailing interest rate</li> <li>• have a repayment schedule normal for the area.</li> </ul>
<ul style="list-style-type: none"> <li>• Labor</li> <li>• Management</li> </ul>	Include all contributions of labor and management, including hired labor and hired management.	If a member of a joint operation receives a guaranteed payment for any part of a labor or management contribution, <b>exclude</b> all of the specific type of contribution for which payment is received. <p><b>Note:</b> “Draws” or advances for a member that have an effect on the member’s share of the partnership or proceeds of the partnership are <b>not</b> considered a guaranteed payment.</p>	

**150 Determining Commensurate Contributions****A Introduction**

Use the guidelines in this paragraph to determine whether contributions are commensurate with claimed ownership shares. COC must follow steps in subparagraph C and D when there are discrepancies found in reported contributions that may impact shares being commensurate for the operation.

**B General Rule**

Total contributions that are “within reason” of being equal to the claimed share of profits and losses must be considered commensurate.

**Note:** COC’s must **not** establish a specific tolerance for “within reason.”

**C Determining Contributions Using Farming Inputs**

Farming inputs provided by each person or legal entity to the farming operation must be used to determine each person’s and legal entity’s contribution. See paragraph 93 for calculating the Total Value of a Farming Operation. Use dollar values for capital and the rental value of the land and equipment. For labor and management, use a dollar value to determine the value of the contribution. Farming inputs may include, but are not limited to:

- rental value of all land in the farming operation
- rental value of all owned and leased equipment used in the farming operation
- chemical and seed
- fertilizer
- fuel and maintenance
- insurance, interest, and miscellaneous
- labor cost
- value of all management contributed to the farming operation.

150 Determining Commensurate Contributions (Continued)

C Determining Contributions Using Farming Inputs (Continued)

COC must establish dollar values and hourly rates based on knowledge of local farming practices and customary rates and values in the area. COC’s may also use university cost publications and local supplier costs. Use the steps in this table to determine each person’s or legal entity’s contributions to a farming operation.

Step	Action
1	Determine the total amount of each farming input needed to conduct the farming operation.
2	Determine the type and amount of farming inputs provided by the person or legal entity that meet the requirements in paragraph 149.
3	Determine the percentage of each input required to conduct the farming operation provided by the person or legal entity.
4	<p>Does the person or legal entity provide the same percentage of all inputs required to conduct the farming operation?</p> <ul style="list-style-type: none"> <li>• If yes, consider the person or legal entity as providing that percentage of the farming inputs required to conduct the farming operation.</li> <li>• If no, determine the value of the inputs provided by the person or legal entity relative to the total amount of farming inputs required to conduct the farming operation.</li> </ul>
5	Determine whether the person’s or legal entity’s contributions to the farming operation are commensurate with the person’s or legal entity’s claimed share of the farming operation. See subparagraph D.

150 Determining Commensurate Contributions (Continued)

**D Determining Commensurate Shares**

Use the steps in this table to determine whether contributions to a farming operation are commensurate with the claimed share of the profits or losses.

Step	Review and Determination
1	<p>Review the person’s or legal entity’s claimed share of the profits or losses of the farming operation.</p> <p>For a joint operation, review the member’s claimed share of the profits or losses of the farming operation.</p>
2	<p>Are the person’s or legal entity’s total contributions to the farming operation commensurate with the claimed share of the profits or losses of the farming operation?</p> <p>For a joint operation, are the member’s total contributions to the farming operation commensurate with the claimed share of the profits or losses of the farming operation? If:</p> <ul style="list-style-type: none"> <li>• yes, go to step 5</li> <li>• no, go to step 3.</li> </ul>
3	<p>Are the contributions by the person or legal entity that COC considers pertinent to the farming operation commensurate with the claimed share of the profits or losses of the farming operation?</p> <p>For a joint operation, are the contributions of the member that COC considers pertinent to the farming operation commensurate with the claimed share of the profits or losses of the farming operation? If:</p> <ul style="list-style-type: none"> <li>• yes, go to step 5</li> <li>• no, go to step 4.</li> </ul>
4	<p>Determine the person or legal entity to be not actively engaged in farming.</p> <p>If a member of a joint operation, then determine the member of the joint operation to be not actively engaged in farming.</p>
5	<p>Determine the person or legal entity to be actively engaged in farming if all other provisions have been satisfied.</p> <p>If a member of a joint operation, then determine the member to be actively engaged in farming if all other provisions have been satisfied.</p>

**150 Determining Commensurate Contributions (Continued)**

**E DD Responsibility**

DD is responsible for:

- verifying that no “tolerance” for commensurate contributions is established in any county
- maintaining reasonable uniformity between counties
- ensuring that the integrity of the program is maintained.

**151 Determining Contributions at Risk**

**A Introduction**

In addition to other requirements for a person or legal entity to be considered actively engaged in farming, the contributions made by the person or legal entity **must** be at risk.

**B General Rule**

For a producer’s contribution to be considered at risk, there **must** be a possibility that the producer could suffer loss.

**C Specific Rules for at Risk**

Apply the rules in this table when determining whether contributions are at risk.

<b>IF producer is a...</b>	<b>THEN the...</b>
person	person’s contributions to the farming operation <b>must</b> be at risk.
joint operation	members’ contributions to the farming operation <b>must</b> be at risk.
legal entity	legal entity’s contributions to the farming operation <b>must</b> be at risk.



**152 Landowner Exemption**

**A Actively Engaged Rule for Landowners [7 CFR 1400.207]**

A landowner must be considered actively engaged in farming with respect to the owned land if **all** the following requirements are met.

<b>Item</b>	<b>Requirement</b>
1	The landowner contributes owned land to the farming operation for which the landowner receives rent or income for the use of the land, based on the land’s production or the operation’s operating results.
2	The landowner’s share of the profits or losses from the farming operation is commensurate with the landowner’s contribution to the operation.
3	The landowner’s contributions are at risk.

**B Applicability of Rule**

This rule applies to landowners who:

- are persons or legal entities, such as corporations, trusts, or estates
- are a revocable trust using the Social Security number of the grantor
- are persons with a life estate in the land
- have an undivided interest in the land, however a cropland factor may apply
- have a divided interest in land, however a cropland factor may apply
- are members of a joint operation if those members own the land and contribute the land to the joint operation without compensation

**152 Landowner Exemption (Continued)****B Applicability of Rule (Continued)**

- are members of a joint operation if the joint operation holds title to the land.

**Note:** This rule applies to joint operations if either of the following apply:

- the members submit documentation to show the title to the land owned by the joint operation will revert to the individual members after dissolution of the joint operation according to each member's share in the joint operation

**Note:** This requirement is considered met if the documentation provides that upon dissolution of the joint operation, the land will be sold and the proceeds divided according to each member's share in the joint operation.

- if there is no documentation otherwise and the Regional Attorney advises that State law provides that upon dissolution of the joint operation the land will be sold and the proceeds divided according to each member's share in the joint operation.

**Note:** See paragraph 177 for rules and examples of partial eligibility and computing cropland factor.

**153 Landlords****A Actively Engaged Rule for Landlords**

A landlord who is **not** a landowner must be considered to be actively engaged in farming under the same rules as any other person or legal entity that is **not** a landowner.

**Notes:** If the landlord provides leased or rented land to an operation in return for a share of the crop, the land will be considered a contribution. Other contributions, as applicable, are required.

See paragraph 165 for cash-rent tenant requirements.

## 153 Landlords (Continued)

**B Example 1**

**Situation:** Landowner A cash leases land to Person B. Person B subleases the land to Operator C. Person B contributes land and does **not** contribute a significant amount of active personal labor or active personal management to the farming operation.

**Determination:** Person B is **not** actively engaged in farming. Person B **cannot** be considered actively engaged in farming because of the landowner provision, since Person B is a landlord and **not** a landowner. Landowner A is **not** actively engaged on this farming operation since cash-rent is received for using the land. A separate determination will be made for Operator C.

**C Example 2**

**Situation:** Person D cash leases land from Landowner E. Person D subleases the land to Producer C on a share-rent basis. Person D contributes the land and active personal management to the farming operation.

**Determination:** Because Person D cash-rents the land from Landowner E, Person D:

- is a cash-rent tenant

**Notes:** A cash-rent tenant is eligible to receive program payments on the cash-rented land, if the cash-rent tenant provides a significant contribution of either of the following:

- active personal labor and capital, equipment, or land
- active personal management and equipment.

See paragraph 165 for cash-rent tenant requirements.

- is **not** the landowner and **cannot** be considered actively engaged in farming because of the landowner provision.

**153 Landlords (Continued)****C Example 2 (Continued)**

Because Person D has provided a significant contribution of land and management, Person D can be considered actively engaged in farming. However, Person D is **ineligible** to receive program payments on the cash-rented land, because the necessary contributions for a cash-rent tenant were **not** made. If Producer D has other land in his Farming Operation, it may require the application of a cropland factor which would be applied to all payments including the cash rented farm.

A separate determination will be made for Producer C.

**D Actively Engaged in Farming Rule for Hybrid Seed Producers**

The existence of a hybrid seed contract for a producer must **not** be taken into account when making an actively engaged in farming determination with respect to the producer. However, all other actively engaged in farming provisions must apply.

**154-164 (Reserved)**

## Section 2 Cash-Rent Tenant Rules

## 165 Cash-Rent Tenant Rule (7 CFR 1400.214)

## A Definition of Cash-Rent Tenant

Cash-rent tenant means a producer who rents land from another producer or landowner under either of the following conditions:

- for a fixed cash amount
- for a fixed quantity of the crop or crop proceeds.

**Note:** This does not include a share rental arrangement between a landowner, landlord, and tenant.

## B Other Situations of Applicability

Cash-rent tenant provisions also apply to:

- tenants who rent land for zero dollars or farm the land in exchange for compensation other than cash, such as:
  - controlling weeds on land **not** owned
  - barter arrangements
- producers who have use of the land and there is **not** a lease agreement in place, such as:
  - individual operating land owned by his or her revocable trust
  - 1 spouse operating land owned by the other spouse.

**Notes:** In spousal operations, or if the grantor of a revocable trust is operating the land held by the trust, cash-rent tenant provisions will be considered to be met if both benefit from the land.

The revocable trust must be using the Social Security number of the grantor as its TIN.

For these situations:

- record the arrangement in Business File as land leased for cash
- COC must determine whether the cash-rent tenant provisions have been met by the producer.

## 165 Cash-Rent Tenant Rule (7 CFR 1400.214) (Continued)

**C Payment Eligibility Requirements**

In addition to meeting the requirements to be considered actively engaged in farming, a cash-rent tenant will be eligible to receive payments on cash-rented land if the cash-rent tenant makes either of the following:

- a significant contribution of active personal labor to the farming operation
- a significant contribution of owned or leased equipment **and** a significant contribution of active personal management to the farming operation.

**Note:** The spousal provision in paragraph 189 for determining actively engaged in farming can also be used by spouses in meeting these requirements.

**D Partial Eligibility**

If a producer meets all requirements to be considered actively engaged in farming, but fails to meet the cash-rent tenant provisions in subparagraph C, the producer will be:

- eligible to receive payments on land in the farming operation that is **not** cash-rented
- subject to a reduction in payments with the application of a cropland factor according to paragraph 177.

165 Cash-Rent Tenant Rule (7 CFR 1400.214) (Continued)

**E Specific Rules for Equipment**

Use the rules in this table if a significant contribution of equipment is necessary to meet the requirements of the cash-rent tenant rule.

<b>IF the cash-rent tenant...</b>	<b>THEN...</b>
provides the harvesting equipment	the rental value of harvesting equipment is included when determining whether a significant contribution of equipment is met.
meets <b>both</b> of the following requirements: <ul style="list-style-type: none"> <li>• custom harvesting is used in the cash-rent tenant’s farming operation</li> <li>• the custom harvester has no interest in the farming operation</li> </ul>	the rental value of harvesting equipment is <b>not</b> included when determining whether a significant contribution of equipment is met. <p><b>Note:</b> The rental value of harvesting equipment would still be considered in making actively engaged in farming determinations.</p> <p><b>Example:</b> Person A, a cash-rent tenant, owns or leases all equipment for the farming operation <b>except</b> equipment needed for harvesting. Harvesting is custom hired. The custom harvester has <b>no</b> interest in the farming operation.</p> <p>The rental value of harvesting equipment must <b>not</b> be included in determining the total rental value of equipment needed to conduct the farming operation for cash-rent tenant rule purposes.</p>
leases the equipment from the landlord	the lease and payment <b>must</b> meet the requirements of subparagraph 145 C.
leases the equipment from the landlord, or the same person or legal entity that is providing hired labor to the farming operation	<b>both</b> of the following conditions <b>must</b> be met: <ul style="list-style-type: none"> <li>• contracts for leasing the equipment and the hired labor <b>must</b> be 2 separate contracts that reflect the fair market value of the leased equipment and the hired labor</li> <li>• cash-rent tenant <b>must</b> exercise complete control over using a significant amount of the equipment during the current crop year.</li> </ul> <p><b>Note:</b> <u>Complete control</u> means exclusive access and use by the tenant.</p>

**166 Cash-Rent Tenant Example****A Example 1**

**Situation:** Person A cash leases land from Landowner B. Person A subleases the land to Producer C on a share-rent basis. Person A contributes the land and active personal management to the farming operation.

**Determination:** Because Person A cash-rents the land from Landowner B, Person A is:

- a cash-rent tenant
- **not** the landowner and **cannot** be considered actively engaged in farming because of the landowner provision.

Because Person A has provided a significant contribution of land and management, Person A can be considered actively engaged in farming. However, Person A is **ineligible** to receive program payments on the cash-rented land, because the necessary contributions for a cash-rent tenant were **not** made.

A separate determination will be made for Producer C.

**Explanation:** Landowner B is **not** considered to be actively engaged in farming for this farming operation, but may be considered actively engaged in farming for another farming operation.

**B Example 2**

**Situation:** A joint operation consists of Persons A, B, C, and D; all with equal shares. All land is cash-rented by the joint operation. Members A and B provide all the equipment, Members C and D provide all the capital, all necessary labor is hired by the joint operation, and active personal management is provided equally by the members.

**Determination:** Only Members A and B meet the cash-rent tenant rule requirements because they provide management and equipment. Therefore, payment to the joint operation is limited to the amount represented by the shares held by Members A and B.

**Explanation:** Since all labor is hired by the joint operation, significant contributions of both equipment and active personal management are **required**. Members C and D do **not** provide any contributions of equipment and; therefore, do **not** meet the requirements of the cash-rent tenant rule required for payment eligibility.



## 166 Cash-Rent Tenant Example (Continued)

**C Example 3**

**Situation:** Same as Example 2, **except** the joint operation provides all capital, equipment, and hired labor. Active personal management is equally provided by the members.

**Determination:** All members meet the cash-rent tenant rule requirement.

**Explanation:** Since all labor is hired by the joint operation, significant contributions of **both** equipment and active personal management of the members are required. A significant equipment contribution was provided by the joint operation and active personal management was provided by the members.

**D Example 4**

**Situation:** Same as Example 3, **except** the joint operation has all of the land custom farmed by unrelated persons and legal entities.

**Determination:** All members are ineligible for payment on the land cash-rented by the joint operation.

**Explanation:** Significant active personal labor contributions by the members, or a significant equipment and active personal management contribution, were **not** provided to the operation as required for payment eligibility.

**166 Cash-Rent Tenant Example (Continued)****E Example 5**

**Situation:** A local Future Farmers of America chapter requests program payments on land that is cash-rented from an unrelated party. The chapter members are providing active personal labor and active personal management to the farming operation.

**Determination:** The National Future Farmers of America is a Federally chartered corporation with its purpose to create, foster, and assist subsidiary chapters composed of students enrolled in vocational agriculture in public schools. The corporation may **not** issue stock, or declare or pay any dividend.

All partners, stockholders, or members with an ownership interest are providing active personal labor, active personal management, or a combination of active personal labor and active personal management (7 CFR 1400.204).

Even though the chapter members may be providing active personal labor and/or active personal management, they do **not** have the **required** ownership interest in the corporation. Consequently, Future Farmers of America chapters **cannot** be considered to have met the cash-rent tenant rule requirements on the rented land.

**F Example 6**

**Situation:** Person A cash leases land from Landowner B. Person A custom hires the planting and harvesting on the cash leased farm. Person A has a livestock operation where a significant contribution of active personal labor is provided. Person A contributes the land, active personal labor, and management.

**Determination:** Because Person A cash-rents the land from Landowner B, Person A is:

- a cash-rent tenant
- not the landowner and cannot be considered actively engaged in farming using the landowner provision.

Because Person A provides a significant contribution of active personal labor in his farming operation which meets the Cash Rent Tenant Provisions. Person A is also eligible to receive program payments on the cash-rented land, because the necessary contribution of labor was met through labor contributed to the livestock operation.

**167-176 (Reserved)**

## Section 3 Partial Eligibility for Actively Engaged in Farming and Cash-Rent Tenant Rules

### 177 Percent of Cropland Factor

#### A Introduction

In some cases, producers may only be partially eligible under “Actively Engaged in Farming” or “Cash Rent Tenant” rules on a portion of the effective DCP cropland in the farming operation. Therefore, FSA must determine the percentage of the farming operation that is eligible for payment. This is determined based on the percent of effective DCP cropland.

#### B When to Use the Percent of Cropland Factor

Use the percent of cropland factor when a producer:

- does **not** provide a significant contribution of active personal labor or active personal management to the entire farming operation
- is actively engaged in farming and eligible for payment on a portion of the land in the farming operation because of the landowner provision
- is a cash-rent tenant and is **ineligible** for payment for the cash-rented land.

**Note:** The automated system does **not** handle cases where the producer is actively engaged on some, but **not** all farming operations.

#### C Applying the Percent of Cropland Factor

The cropland factor **only** applies to programs subject to the actively engaged in farming requirements and the cash-rent rule.

For joint operations, the cropland factor will generally be recorded at the joint operation level (and not at the member level), except in the following situations:

- when the farming operation is a Joint Venture without a tax ID
- when members have different cropland factors computed based on contributions in the farming operation or other farming interests.

See 9-CM for additional information about payment processes and how the cropland factor is applied.

177 Percent of Cropland Factor (Continued)

**D Determining the Factor**

Determine a percent of cropland factor according to this table.

Step	Action
1	List the total effective DCP cropland acres for all land in which the producer has a farming interest, regardless of share, and total the acres.
2	List the effective DCP cropland acres in which the producer is considered eligible on all land, regardless of share, and total the acres.
3	Divide the result of step 2 by the result of step 1.
4	Enter the result of step 3 in the cropland factor value in subsidiary for the producer, according to 3-PL (Rev. 2).  This will result in a reduction in payments on all farms, including farms in other farming operations in which the producer has a farming interest, that are subject to Actively Engaged and Cash Rent Tenant Provisions.

**E Example 1**

In this example, Sam Brown hires all labor and management necessary to conduct the farming operation and provides no active personal labor or active personal management.

<p><b>Farm 20</b>  <b>Tract 1 - 100 acres Effective DCP Cropland Acres</b>                      Operator - Sam Brown                      Owner - Sam Brown                      Rental - N/A</p>
<p><b>Farm 20</b>  <b>Tract 2 - 100 acres Effective DCP Cropland Acres</b>                      Operator - Sam Brown                      Owner - Pete Smith                      Rental - Cash lease</p>

**Result:** The farming operation for Sam Brown is the entire acreage on Farm 20 (200 acres effective DCP cropland acres).

Because Sam Brown does **not** provide a significant “right-hand” contribution to the farming operation, he may only be considered actively engaged in farming under the landowner exemption for that portion of the farming operation represented by land he owns.

**177 Percent of Cropland Factor (Continued)****E Example 1 (Continued)**

Sam Brown owns 50 percent of the cropland in his farming operation (100 acres effective DCP cropland acres). Therefore, payments to Sam Brown would be subject to a 50 percent of cropland factor.

**Calculation:** 100 effective DCP cropland acres owned /200 effective DCP cropland acres in the farming operation equals .5000.

**F Example 2**

In this example, Sam Brown hires all labor and management necessary to conduct the farming operation and contributes no active personal labor or active personal management.

<p><b>Farm 23</b>  <b>100 Effective DCP Cropland Acres</b>          Operator - Sam Brown          Owners - Sam Brown and Pete Smith (undivided joint interest)          Rental - Cash lease</p>
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**Result:** Because Sam Brown does **not** provide a significant “right-hand” contribution to the farming operation, he may only be considered actively engaged in farming under the landowner exemption for that portion of the farming operation represented by land he owns.

Because Sam Brown and Pete Smith receive cash-rent for their contribution of land, landowner exemption does not apply.

177 Percent of Cropland Factor (Continued)

**G Example 3**

In this example, Sam Brown and Pete Smith each have a 50 percent share in the partnership. The partnership does **not** have any other farming interests. The general partnership is identified by an EIN. Sam Brown shares in the pro rata share of all crops, regardless of where the crops are planted. The partnership agreement stipulates that upon dissolution, the land ownership will revert to the members according to their current shares of the partnership. The partnership hires all labor and management necessary to conduct the farming operation, therefore no active personal labor or active personal management is being provided by the members.

**Note:** Determinations for Actively Engaged and Cash Rent provisions for Joint Operations are recorded in subsidiary at the member level rather than the Joint Operation itself. The Cropland Factor may be recorded for the Joint Operation, at the Member level, or both in subsidiary dependent on determinations made and interest in other farming operations.

<p><b>Farm 24</b>  <b>Tract 1 – 100 Acres of Effective DCP Cropland</b>                  Operator - Brown and Smith, a general partnership                  Owner - Sam Brown                  Rental - .3333 crop share</p>
<p><b>Farm 24</b>  <b>Tract 2 - 100 Acres of Effective DCP Cropland</b>                  Owner - Brown and Smith, a general partnership                  Rental - N/A</p>

**Result:** The partnership’s farming operation is the entire acreage in FSN 24, and would be represented on CCC-902 for the general partnership.

Sam Brown’s farming operation is the acreage in Tract 1, and would be represented on CCC-902 for the individual.

Because the members of the partnership do **not** provide a significant “right-hand” contribution to the farming operation, the members of the partnership are only considered to be actively engaged in farming under the landowner exemption for that portion of their farming operation represented by owned land. Therefore, a 50 percent of cropland factor would apply to payments made to the partnership. The cropland factor of .5000 will be loaded in subsidiary at the partnership level.

177 Percent of Cropland Factor (Continued)

**G Example 3 (Continued)**

Although Sam Brown is the owner of Tract 1 and also a member of the General Partnership he is not contributing the land to the Partnership but rather is taking a landowner share as an individual. As a result, the landowner provision cannot be used for Actively Engaged for his share of the Partnership in the partnership’s determination.

A percent of cropland factor of 1.000 would apply to Sam Brown as an individual since he is considered to be actively engaged in farming on his entire farming operation which is separate from the partnership. The cropland factor is defaulted to 1.000 in subsidiary.

**H Example 4 – Joint Venture Without an EIN**

In this example, Sam Brown and Pete Smith each have a 50 percent share in the Joint Venture. The Joint Venture does **not** have any other farming interests. The Joint Venture is **not** identified by an EIN. Sam Brown shares in the pro rata share of all crops, regardless of where the crops are planted. The members hire all labor and management necessary to conduct the farming operation, therefore no active personal labor or active personal management is being provided by the members.

**Note:** Determinations for Actively Engaged and Cash Rent provisions for Joint Operations are recorded in subsidiary at the member level rather than the Joint Operation itself. The Cropland Factor must be recorded at the Member level for Joint Operations that are not identified by an EIN.

<p><b>Farm 24</b>  <b>Tract 1 – 100 Acres of Effective DCP Cropland</b>                  Operator - Brown and Smith, a Joint Venture                  Owner - Sam Brown                  Rental - .3333 crop share</p>
<p><b>Farm 24</b>  <b>Tract 2 - 100 Acres of Effective DCP Cropland</b>                  Owner - Sam Brown and Pete Smith, undivided interest                  Rental – Contributed to Joint Venture without Compensation</p>

**Result:** The Joint Operation’s farming operation is the entire acreage in FSN 24, and would be represented on CCC-902 for the joint operation.

Sam Brown’s farming operation is the acreage in Tract 1, and would be represented on CCC-902 for the individual.

177 **Percent of Cropland Factor (Continued)**

**H Example 4 – Joint Venture Without an EIN (Continued)**

Because the members of the Joint Venture do **not** provide a significant “right-hand” contribution to the farming operation, the members of the Joint Venture are only considered to be actively engaged in farming under the landowner exemption for that portion of their farming operation represented by land owned as individuals, with an undivided interest and contributed to the Joint Venture without compensation. Therefore, a 50 percent cropland factor would apply to Pete Smith. The cropland factor of .5000 will be loaded in subsidiary in the individual’s eligibility record.

Sam Brown will also have a cropland factor applied. However, Sam Brown will be eligible on Tract 2, 100 acres and Tract 1, 33.33 acres. The total eligible acres 133.33/200 total acres in the farming operation results in a cropland factor of .665. The cropland factor of .665 will be loaded in subsidiary in the individual’s eligibility record.

Although Sam Brown is the owner of Tract 1 and also a member of the Joint Venture, he is not contributing the land, Tract 1, to the Joint Venture but is taking a landowner share as an individual. As a result, the landowner provision cannot be used to qualify him as Actively Engaged for his interest in the Joint Venture.

**I Example 5**

This example is similar to Example 3, except Farm 26 is owned by the individual members of the Partnership with an undivided interest in the land. In this example, Sam Brown and Pete Smith are members of Brown and Smith Partnership. Neither the partnership nor the members have any other farming interests. The partnership hires all labor and management necessary to conduct the farming operation and the members do not contribute any active personal labor or active personal management.

**Farm 25**  
**100 acres of Effective DCP Cropland**  
 Operator - Brown and Smith, a general partnership  
 Owner - Sam Brown  
 Rental - .3333 crop share

**Farm 26**  
**100 acres of Effective DCP Cropland**  
 Operator - Brown and Smith, a general partnership  
 Owner – Sam Brown and Pete Smith as individuals- Undivided  
 Rental - N/A- land contributed to the partnership by the individuals without compensation



## 177 Percent of Cropland Factor (Continued)

## I Example 5 (Continued)

**Result:** The partnership's farming operation is the entire acreage in FSN 25 and 26, and would be represented on CCC-902 for the general partnership.

Sam Brown's farming operation is the acreage in FSN 25 and would be represented on CCC-902 for the individual.

Because the members of the partnership do **not** provide a significant "right-hand" contribution to the farming operation, each member of the partnership is only considered to be actively engaged in farming under the landowner exemption for that portion of land in which each owns and is contributed to the farming operation without compensation.

Each member owns (undivided) 50 percent of the cropland in the partnership's farming operation. The members of the partnership are actively engaged in farming on 50 percent of all the land in the partnership's farming operation. A cropland factor of .5000 would be entered at the Partnership level in subsidiary and would reduce the payments issued to the Partnership.

Sam Brown, as individual landowner of Farm 25, is considered actively engaged in farming under the landowner exception. This is 100 percent of Sam Brown's individual farming operation. Sam Brown's interest in the partnership is a separate farming operation.

Although Sam Brown is the owner of Farm 25 and also a member of the General Partnership he is not contributing the land to the Partnership but rather is taking a landowner share as an individual. As a result, the landowner provision cannot be used for Actively Engaged for his share of the Partnership in the partnership's determination.

A percent of cropland factor of 1.000 would apply to Sam Brown as an individual since he is considered to be actively engaged in farming on his entire farming operation which is separate from the partnership. The cropland factor is defaulted to 1.000 in subsidiary.

## 177 Percent of Cropland Factor (Continued)

**J Example 6**

In this example Farm 25 is owned by Sam Brown who contributes the land to the farming operation of the partnership without compensation. Farm 26 is owned by the individual members of the Partnership with an undivided interest in the land and is also contributed to the partnership. In this example, Sam Brown and Pete Smith are members of Brown and Smith Partnership. Neither the partnership nor the members have any other farming interests. The partnership hires all labor and management necessary to conduct the farming operation and the members do not contribute active personal labor or active personal management.

<p><b>Farm 25</b>  <b>100 acres of Effective DCP Cropland</b>  Operator - Brown and Smith, a general partnership  Owner - Sam Brown  Rental - .N/A land contributed directly to the Partnership by Sam Brown without compensation</p>
---

<p><b>Farm 26</b>  <b>100 acres of Effective DCP Cropland</b>  Operator - Brown and Smith, a general partnership  Owner – Sam Brown and Pete Smith as individuals- Undivided  Rental - N/A- land contributed to the partnership by the individuals without compensation</p>
---

**Result:** The partnership’s farming operation consists of Farms 25 and 26. Because neither member of the partnership provides significant “right-hand” contribution to the farming operation, the members of the partnership must **not** be considered actively engaged in farming.

However, the members of the partnership, as individual landowners of Farm 26, are considered actively engaged in farming under the landowner exception, contributing the land to the partnership without compensation.

Sam Brown, as individual landowner of Farm 25 contributes that ground to the farming operation of the Partnership without compensation and as a result also meets the landowner provision on that portion of the partnerships farming operation.

Sam Brown will be eligible on all land in the farming operation, using landowner exemption.

Pete Smith is partially eligible in the farming operation through his undivided ownership interest on Farm 26.

177 **Percent of Cropland Factor (Continued)**

**J Example 6 (Continued)**

Each member of the partnership will have a different cropland factor. The factor will not be entered at the Partnership level, but rather at the individual member level. Sam Brown’s cropland factor will be 1.000 and Pete Smith’s will be .5000.

**Note:** In this example member shares need to be evaluated to determine if shares are commensurate with contributions.

**K Example 7**

In this example, Brown, Smith, Black, and Jones Partnership is made up of the 4 individual landowners. The partnership and the members of the partnership do **not** have any other farming interests. Each farm is of equal size and value. The contributions of each partner are commensurate and at risk. Each landowner contributes their land to the partnership, so no rent will be paid. All payments go to the partnership.

The partnership hires all labor and management necessary to conduct the farming operation.

**Farm 27**  
**100 acres of Effective DCP Cropland**  
 Operator - Brown, Smith, Black, and Jones, a general partnership  
 Owner - Sam Brown  
 Rental – contributed to the GP without compensation

**Farm 28**  
**100 acres of Effective DCP Cropland**  
 Operator - Brown, Smith, Black, and Jones, a general partnership  
 Owner - Pete Smith  
 Rental - contributed to the GP without compensation

**Farm 29**  
**100 acres of Effective DCP Cropland**  
 Operator - Brown, Smith, Black, and Jones, a general partnership  
 Owner - Henry Black  
 Rental - contributed to the GP without compensation

**Farm 30**  
**100 acres of Effective DCP Cropland**  
 Operator - Brown, Smith, Black, and Jones, a general partnership  
 Owner - Bill Jones  
 Rental - contributed to the GP without compensation

177 Percent of Cropland Factor (Continued)

**K Example 7 (Continued)**

**Result:** The farming operation for the partnership consists of all the acreage in Farms 27, 28, 29, and 30. Because the members do **not** provide “right-hand” contributions, the members of the partnership are **not** actively engaged in farming. However, each person is actively engaged in farming with respect to the actual land owned under the landowner exception.

Because the members of the partnership are **not** actively engaged in farming on the entire farming operation, only that portion earned with respect to the owned land may be paid. The percent of cropland owned by each owner is 25 percent. Accordingly, a 25 percent of cropland factor would be applied to the partnership’s payment on each farm.

**L Example 8**

In this example, Brown, Smith, Black, and Jones Partnership is made up of the 4 individual landowners. The partnership and the members of the partnership do **not** have any other farming interests. Each farm is of equal size and value. The contributions of each partner are commensurate and at risk. Each landowner contributes their land to the partnership, so no rent will be paid. All payments go to the partnership.

Partner Pete Smith provides 1000 hours of active personal labor. No other member has significant contributions of active personal labor or active personal management.

**Farm 27**  
**100 acres of Effective DCP Cropland**  
 Operator - Brown, Smith, Black, and Jones, a general partnership  
 Owner - Sam Brown  
 Rental - contributed to the GP without compensation

**Farm 28**  
**100 acres of Effective DCP Cropland**  
 Operator - Brown, Smith, Black, and Jones, a general partnership  
 Owner - Pete Smith  
 Rental - contributed to the GP without compensation

**Farm 29**  
**100 acres of Effective DCP Cropland**  
 Operator - Brown, Smith, Black, and Jones, a general partnership  
 Owner - Henry Black  
 Rental - contributed to the GP without compensation

**Farm 30**  
**100 acres of Effective DCP Cropland**  
 Operator - Brown, Smith, Black, and Jones, a general partnership  
 Owner - Bill Jones  
 Rental - contributed to the GP without compensation

**177 Percent of Cropland Factor (Continued)****L Example 8 (Continued)**

**Result:** The farming operation for the partnership consists of all the acreage in Farms 27, 28, 29, and 30. Only Pete Smith provides a significant “right hand” contribution and meets actively engaged in farming requirements on all the land in the farming operation. Because the other members do **not** provide “right-hand” contributions, those members are **not** actively engaged in farming. However, each member is actively engaged in farming with respect to the actual land owned and contributed to the farming operation using the landowner exception.

Pete Smith is determined Actively Engaged and is eligible to receive his full share of the Partnership payment. Sam Brown, Henry Black, and Bill Jones are only eligible on the land that they own and contribute to the Partnership. Because the members of the partnership have differing cropland percentages the cropland factor must not be set at the partnership level. The cropland factor for the Partnership is 1.000. Pete Smith who is fully Actively Engaged also has a cropland factor of 1.000. The cropland factor for Sam Brown, Henry Black, and Bill Jones will be .2500 based on the percentage of land that they own.

**178-188 (Reserved)**



**Part 5 Actively Engaged in Farming Determinations for Farming Operations**

**Section 1 Rules for Spouses and Minor Children**

**189 Determinations for Spouses and Minor Children**

**A Actively Engaged in Farming Rule for Spouses (7 CFR 1400.202)**

Use this table for actively engaged in farming determinations involving spouses.

<b>IF the spouses are both...</b>	<b>THEN...</b>
farming together: <ul style="list-style-type: none"> <li>• in a joint operation</li> <li>• as an entity</li> </ul>	if 1 spouse is determined actively engaged in farming, the other is credited with significant contributions of active personal labor and active personal management to the same farming operation. The requirements of significant contributions of capital, land, or equipment, commensurate share, and risk remain applicable.  <b>Note:</b> This also includes the spouse’s estate.
involved in separate farming operations	<b>each</b> spouse <b>must</b> independently meet all applicable requirements to be considered actively engaged in farming.

**B Determinations for Spouses Example 1**

**Situation:** Spouse A and Spouse B have a joint farming operation comprised of 500 acres of rented land. In addition, Spouse B has 100 percent interest in Corporation X that is participating in CRP and earning annual payments.

- Spouse A and Spouse B jointly own all the equipment and provide all the capital for their farming operation.
- Spouse A contributes at least 50 percent of the active personal labor and a significant contribution of active personal management for the joint farming operation. Spouse B does **not** provide active personal labor or active personal management.
- Spouse A’s and Spouse B’s share of the profits or losses from the farming operation are commensurate with their contributions and the contributions are at risk.

**Determination:** Spouse A is considered to be actively engaged in farming because he or she is making both a left-hand and right-hand contribution. Spouse B is also making a left-hand contribution, but is not making a right-hand contribution. However, by using the actively engaged rule for spouses, Spouse B is credited with contributing labor and management; therefore, Spouse B is considered to be actively engaged. Spouse A and Spouse B are each eligible to receive their respective share of the total program payments and benefits received by the joint operation and subject to limitation. Any contributions necessary for payment eligibility credited to Spouse B are **only** applicable to the joint operation and do **not** apply to the Corporation X farming operation.

**189 Determinations for Spouses and Minor Children (Continued)****C Determinations for Spouses Example 2**

**Situation:** Spouse M and Spouse N have a joint farming operation comprised of 700 acres of owned and cash-rented land. Spouse N is an heir to the estate of his or her father who died in the previous year. Spouse N is a full-time employee at the local FSA office.

- Spouse M and Spouse N jointly own all of the equipment and provide all of the capital necessary for the farming operation.
- Spouse M contributes the majority of the active personal labor and the active personal management for the farming operation.
- Spouse N contributes active personal labor and active personal management, whenever able, to the farming operation, but the amount is **not** commensurate with his or her share.
- The estate owns land, of which Spouse N is an heir, and meets the requirements to be considered actively engaged in farming under the landowner provision.
- Spouse M's and Spouse N's share of the profits or losses from the farming operation are commensurate with their contributions to the farming operation and the contributions are at risk.

**Determination:** Spouse M, Spouse N, and the estate are all considered actively engaged in farming. Through the special provision for spouses, Spouse N is credited as making significant contributions of active personal labor and/or active personal management to the farming operation since Spouse M is considered to have met the requirement of actively engaged in farming. Both Spouse M and Spouse N made significant contributions of capital and equipment, and consequently, both met the requirements of the cash-rent tenant rule as well. In addition to his or her share of the program payments received through this joint farming operation, Spouse N will also be attributed payments earned by his or her father's estate according to his or her share held as an heir.

**D Determinations for Minor Children**

To meet actively engaged in farming and cash rent tenant provisions, the minor child must make the required significant contributions that are commensurate with the minor's claimed share and those contributions must be at risk.

**190-199 (Reserved)**



Section 2 Persons

200 Actively Engaged in Farming Determinations

A Rule [7 CFR 1400.202]

A person must be considered to be actively engaged in farming if **all** of the requirements in this table are met.

Item	Requirement
1	The person makes a significant contribution to the farming operation of <b>both</b> of the following: <ul style="list-style-type: none"> <li>• capital, equipment, land, or a combination thereof</li> <li>• active personal labor, active personal management, or a combination thereof.</li> </ul>
2	The person's share of the profits or losses from the farming operation is commensurate with the person's contribution to the farming operation.
3	The person's contributions are at risk.

**Note:** Landowners will be considered Actively Engaged in Farming on owned land according to paragraph 152 even though the above contributions are not being made. Cropland factors may apply.

B Other Participants Who Use This Rule

This rule also applies to a person who is a:

- partner in a general partnership
- member in a joint venture.

201 Military Personnel

A Rule [7 CFR 1400.213]

COC may determine a person who is called to active duty in the military during the program year actively engaged in farming according to this table.

IF the person is called to active duty in the military...	THEN COC...
before the determination is made	must determine that the person was making a conscious effort to be, and would have been determined to be, actively engaged in farming and meet cash rent tenant provisions if <b>not</b> for being called to active duty in the military.
after the determination is made	must allow the determination to be in effect for the program year.

**Note:** These provisions must apply, for the current year and through the year, in which the person returns from active duty.

202 Sharecroppers

A Rule [7 CFR 1400.209]

A sharecropper must be considered actively engaged in farming if **all** the requirements in this table are met.

Item	Requirement
1	The sharecropper makes a significant contribution of active personal labor to the farming operation for which the sharecropper receives a specified share of the crop produced on the farm.
2	The sharecropper’s share of the profits or losses from the farming operation is commensurate with the contribution to the operation.
3	The sharecropper’s contributions are at risk.

**Note:** To be considered actively engaged in farming under this provision, the person may:

- **not** receive wages for labor and be considered a sharecropper for this purpose
- be provided housing and “draw” cash advances to be deducted later from proceeds of the crop.

202 Sharecroppers (Continued)

**B Example**

**Situation:** Person Y provides labor for Landowner Z on 500 acres of rice in exchange for a share of the crop. Person Y **only** contributes active personal labor to the farming operation and receives a cash advance that will be set off from the proceeds of the crop after harvest. Landowner Z provides Person Y with housing.

**Determination:** Person Y is considered to be actively engaged in farming since Person Y is a sharecropper and the requirements in subparagraph A are met. Landowner Z is considered to be actively engaged in farming since Landowner Z is a landowner.

203 Deceased and Incapacitated Persons

**A Introduction**

This paragraph describes the requirements for a person who dies or becomes incapacitated during the program year to be determined actively engaged in farming.

**B Rule [7 CFR 1400.210]**

COC may determine a person who dies or becomes incapacitated during the program year actively engaged in farming according to this table.

<b>IF the person dies or becomes incapacitated...</b>	<b>THEN COC...</b>
<b>before</b> the determination is made	<b>must</b> determine that the person would have been determined to be actively engaged in farming and meet cash rent tenant provisions, if <b>not</b> for the person's death or incapacitation.
<b>after</b> the determination is made	must allow the determination to be in effect for the program year.

**Notes:** This rule is also applicable to an entity if COC determines that the person who died or who became incapacitated would have qualified the legal entity as actively engaged in farming and cash rent tenant provisions.

The following year, the person, person's estate, or legal entity, as applicable, **must** meet all the necessary requirements to be actively engaged in farming and cash rent tenant provisions for that year.

**204 Case Examples****A Example 1**

**Situation:** Person Z rents 1,500 acres of land on a share-rent basis. Person Z owns the equipment and contributes at least 50 percent of the commensurate share of active personal labor and contributes 100 percent of the farming operation's management. In this situation, Person Z's share of the profits or losses from the farming operation is commensurate with Person Z's contributions to the operation and the contributions are at risk.

**Determination:** Person Z is considered to be actively engaged in farming.

**B Example 2**

**Situation:** Person A rents land on a share-rent basis. Person A contributes a significant amount of leased equipment and a significant amount of active personal management to the farming operation. Capital is borrowed from another producer on the farm at the prevailing interest rate. The labor needed for Person A's farming operation is hired. Person A's share of the profits or losses from the farming operation is commensurate with Person A's contribution to the operation and the contributions are at risk.

**Determination:** Person A is considered to be actively engaged in farming since Person A contributes a significant amount of both equipment and active personal management. A contribution of capital, equipment, or land is used to meet the significant contribution.

205 Completing CCC-902I

A Instructions for Completing CCC-902I

Complete CCC-902I according to this table.

Item	Instruction	
1	Enter name of the recording county for the person.	
2	Enter name of the State where this person conducts their farming operation.	
3	Enter program/crop year for which the information for this farming operation is being provided. Go to Part A.	
<b>Part A</b>		
1	Enter name and address, including ZIP Code, of the person. If the person conducts business using an assumed name, include the assumed name.  <b>Example:</b> John Doe, dba John Doe Grain Farms.	
2	Enter TIN of the person. Go to Part B.  <b>Note:</b> If complete TIN is on file, only the last 4 digits are <b>required</b> .	
<b>Part B</b>		
1	<b>IF the person in Part A is...</b>	<b>THEN select...</b>
	a U.S. citizen	“Yes” and go to item 4A.
	<b>not</b> a U.S. citizen	“No” and go to item 2.
2	an alien lawfully admitted to the U.S. and I-551 was presented	“Yes”.
	<b>not</b> a U.S. citizen and I-551 was <b>not</b> presented	“No”.
3 <b>FSA Only</b>	FSA must select “Yes” or “No” indicating that I-551 was presented.  <b>Note:</b> If the person in Part A in <b>not</b> a U.S. citizen and I-551 was <b>not</b> presented, the individual will be considered a foreign person for payment eligibility and payment limitation purposes.	
4A	<b>IF the person in Part A was...</b>	<b>THEN select...</b>
	18 years of age or older on June 1	“No” and go to item 7.
	younger than 18 years of age on June 1	“Yes” and go to item 4B.
4B	If the person in Part A was younger than 18 years of age on June 1 of the program year, enter the date of birth.	

205 Completing CCC-902I (Continued)

A Instructions for Completing CCC-902I (Continued)

Item	Instruction
5	If the person in Part A was a minor, provide the following information about the person's parent or legal guardian.
A	Enter parent's or guardian's name.
B	Enter parent's or guardian's address.
C	Enter last 4 digits of the parent's or guardian's TIN.  <b>Note:</b> If complete TIN is on file, only the last 4 digits are <b>required</b> .
D	If the person in Part A is a minor, select " <b>Yes</b> " or " <b>No</b> " to indicate whether the individual in Part A maintains a separate household from their parent or guardian.
6A through 6D	If the person in Part A is a minor, provide the following information about the parent's or guardian's interest in farming operations: <ul style="list-style-type: none"> <li>• in item 6A, parent's or guardian's name</li> <li>• in item 6B, name of parent's or guardian's farming interest</li> <li>• in item 6C, last 4 digits of parent's or guardian's TIN</li> </ul> <p><b>Note:</b> If complete TIN is on file, only the last 4 digits are <b>required</b>.</p> <ul style="list-style-type: none"> <li>• in item 6D, county/State where the farming interest is located.</li> </ul>

205 Completing CCC-902I (Continued)

A Instructions for Completing CCC-902I (Continued)

Item	Instruction	
Individual's Name	Enter name of the person in Part A at the top of the page.	
<b>Part C</b>		
1	Enter the following information for <b>all</b> land that is operated by the individual in Part A.	
A	Enter farm number.	
B	Enter county and State where located.	
C	Select the applicable box to show whether land is owned, leased to someone, or leased from someone.	
D	Enter name of the individual, entity, or joint operation to whom or from whom the land is leased.	
E	Enter acres owned or leased on the farm.	
F	<p>If the land is:</p> <ul style="list-style-type: none"> <li>• share-leased, ENTER “share” (optional to enter the percentage that represents the share of the person identified in Part A)</li> <li>• cash-leased, enter the following: <ul style="list-style-type: none"> <li>• “cash”, if the land is cash-leased from an unrelated individual or entity</li> <li>• the rental rate in dollars per acre if the land is cash-leased from an individual or entity who has an interest in the crop or crop proceeds (optional).</li> </ul> </li> </ul>	
G	Select the box if same land interest was held last year.	
<b>Part D</b>		
1	Select all sources of capital for the person in Part A that apply. If “Other” is selected, specify.	
2	<b>IF person in Part A...</b>	<b>THEN select...</b>
	acquired any contributions of capital, equipment, or land through loans or credit arrangement	“Yes” and go to item 3.
	did <b>not</b> acquire any contributions of capital, equipment, or land through loans or credit arrangement	“No” and go to Part E.
3	used loans or credit to finance this farming operation, or to acquire/purchase land or equipment, and this financing was acquired from, guaranteed by, co-signed by, or secured by an individual, joint operation, or entity with an interest in the farming operation	“Yes” and complete items 3A through 3E.
	used loans or credit to finance this farming operation, or to acquire/purchase land or equipment, and this financing was <b>not</b> acquired from, guaranteed by, co-signed by, or secured by any other individual, joint operation, or entity	“No” and go to Part E.

205 Completing CCC-902I (Continued)

A Instructions for Completing CCC-902I (Continued)

Item	Instruction							
<b>Part E</b>	All percentages are based on annual rental values.							
1	<p>Enter percent of <b>all</b> equipment used in this farming operation that is owned by the person in Part A.</p> <p>If no equipment used in this farming operation is owned by the entity or joint operation in Part A, ENTER “0%”.</p>							
2A through 2C	<p>Enter information for <b>all</b> equipment used in the farming operation that is leased by the person in Part A. For <b>each</b> type of equipment leased, enter the following:</p> <ul style="list-style-type: none"> <li>• in item 2A, percent of total equipment used in the farming operation</li> <li>• in item 2B, name of the party or entity from whom equipment is leased</li> <li>• in item 2C, type of equipment leased.</li> </ul> <p>If leased equipment is <b>not</b> used in this farming operation, ENTER “0%” in item 2A and go to Part F.</p>							
2D	<p>If the person in Part A leased equipment, indicate whether the equipment was leased from an individual or entity who has an interest in the farming operation of the person in Part A.</p> <table border="1" data-bbox="412 995 1482 1184"> <thead> <tr> <th data-bbox="412 995 1227 1035">IF the equipment was...</th> <th data-bbox="1227 995 1482 1035">THEN select...</th> </tr> </thead> <tbody> <tr> <td data-bbox="412 1035 1227 1108">leased from an individual or entity who has an interest in the farming operation of the person in Part A</td> <td data-bbox="1227 1035 1482 1108">“Yes” and go to item 3.</td> </tr> <tr> <td data-bbox="412 1108 1227 1184"><b>not</b> leased from an individual or entity who has an interest in the farming operation of the person in Part A</td> <td data-bbox="1227 1108 1482 1184">“No” and go to Part F.</td> </tr> </tbody> </table>		IF the equipment was...	THEN select...	leased from an individual or entity who has an interest in the farming operation of the person in Part A	“Yes” and go to item 3.	<b>not</b> leased from an individual or entity who has an interest in the farming operation of the person in Part A	“No” and go to Part F.
IF the equipment was...	THEN select...							
leased from an individual or entity who has an interest in the farming operation of the person in Part A	“Yes” and go to item 3.							
<b>not</b> leased from an individual or entity who has an interest in the farming operation of the person in Part A	“No” and go to Part F.							
3	<p>If the person in Part A leased equipment from an individual or entity who has an interest in the farming operation of the person in Part A, copies of lease agreements may be required for compliance purposes. Go to Part F.</p>							



205 Completing CCC-902I (Continued)

A Instructions for Completing CCC-902I (Continued)

Item	Instruction	
Individual's Name	Enter name of the person in Part A at the top of the page.	
<b>Part F</b>		
1	Using custom services by the person in Part A does <b>not</b> apply: <ul style="list-style-type: none"> <li>• to services for chemical and fertilizer application</li> <li>• to harvesting crops</li> <li>• if all the land in the farming operation is owned.</li> </ul>	
	<b>IF custom farming services will...</b>	<b>THEN select...</b>
	<b>not</b> be used in this operation	"No" and go to Part G.
	be used in the farming operation	"Yes" and complete items 1A through 1D.
1A	Enter type of custom service, including but <b>not</b> limited to, tillage, planting, cultivating, chemical application, insect/pest scouting, etc.	
1B	Enter farm numbers the service will be applied.	
1C	Enter total number of acres for which custom services will be used.	
1D	Enter name of the custom farming service provider. Go to Part G.	
<b>Part G</b>		
1	Enter percentage or number of hours of active personal labor the person in Part A will personally provide to the farming operation. If the person in Part A will provide 1,000 hours or more, enter " <b>1,000</b> " hours.	
	<b>IF...</b>	<b>THEN select...</b>
2A	<b>none</b> of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part E	"No".
	<b>any</b> of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part E	"Yes".
	<b>Note:</b> Acceptable documentation of equipment lease and hired labor agreements may be <b>required</b> for compliance purposes.	
2B	<b>none</b> of the hired labor for the farming operation in Part A was included in the custom services shown in Part F	"No" and go to Part H.
	<b>any</b> of the hired labor for the farming operation in Part A was included in the custom services shown in Part F	"Yes" and go to Part H.
	<b>Note:</b> Acceptable documentation of equipment lease and hired labor agreements may be <b>required</b> for compliance purposes.	

## 205 Completing CCC-902I (Continued)

## A Instructions for Completing CCC-902I (Continued)

Item	Instruction
<b>Part H</b>	The total percentage shown in items 1A, 2A, and 3A <b>must</b> equal 100 percent.
1A	Enter estimated percent or hours of active personal management the person in Part A personally provides to the farming operation.
1B	Briefly describe the type of management duties the person in Part A performs.
2A	Enter estimated percent or hours of hired management used by the farming operation of the person in Part A.
2B	Briefly describe the type of management duties someone else is hired to perform for the farming operation of the person in Part A.
3A	Enter estimated percent or hours of other management used by the farming operation of the person in Part A.
3B	List any other person providing management without compensation for the farming operation of the person in Part A. Briefly describe the management provided.
<b>Part I</b>	
1	The person in Part A, or an authorized representative of the person in Part A, must sign the certification.
2	If the person in Part A signs CCC-902I, this item should be left blank.  If an authorized representative for the person in Part A signs CCC-902I, use this item to show the individual's representative capacity. For example, "Agent" or "Attorney-in-fact."
3	Enter the date CCC-902I was signed.

205 Completing CCC-902I (Continued)

B Example of CCC-902I

Following is an example of a completed CCC-902I.

OMB Control Number: 0560-0297 Expiration Date: 03/31/2021 (See Page 4 for Privacy Act Statement)		
This form is available electronically.		
<b>CCC-902I</b> (09-28-20)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
<b>FARM OPERATING PLAN FOR AN INDIVIDUAL</b> For "actively engaged in farming" and other payment eligibility and limitation determinations.	1. County Coahoma	
	2. State MS	
	3. Program Year 2020	
This form is to be completed by, or on behalf of, an individual who is seeking benefits from the Farm Service Agency (FSA) as an individual (and not as part of an entity) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the individual who receives program benefits directly using the social security number identified in Part A. Payment eligibility for the individual is based upon the contribution level of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the individual identified in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.		
<b>PART A – BASIC INFORMATION</b>		
1. Individual's Name and Address (Include Zip Code) IMA Farmer 437 Levee Land Stephenville, Ms	2. Social Security Number (If the social security number or taxpayer ID number is on file, only the last 4 digits are required) XXXX	
<b>PART B - ADDITIONAL INFORMATION</b>		
1. Is this individual a U.S. citizen? <input checked="" type="checkbox"/> YES. Go to Item 4A <input type="checkbox"/> NO. Go to Item 2	2. Is this individual an alien lawfully admitted into the U.S.? <input type="checkbox"/> YES, must present a Resident Alien Card (I-551). <input type="checkbox"/> NO	3. FOR COUNTY FSA USE ONLY (Was a Resident Alien Card, I-551 shown?) <input type="checkbox"/> YES <input type="checkbox"/> NO
4A. Is this individual under 18 years of age as of June 1 of the program year that is specified in Item 3? <input checked="" type="checkbox"/> NO. Go to Part C <input type="checkbox"/> YES, continue with Item 4B		4B. Enter Date of Birth (MM-DD-YYYY)
5. Enter the name, address, and social security number of parent or guardian:		
A. Parent's or Guardian's Name	B. Parent's or Guardian's Address	C. Social Security Number of Parent or Guardian (If the social security number or taxpayer ID number is on file, only the last 4 digits are required)
D. Does this individual maintain a separate household from parent or guardian? <input type="checkbox"/> YES <input type="checkbox"/> NO		
6. List the direct and indirect interests in all farming operations of this individual's parents or guardians:		
A. Parent's or Guardian's Name	B. Name of Farming Interest	C. Tax ID Number of Farming Interest (If the social security number or taxpayer ID number is on file, only the last 4 digits are required)
D. County and State Where Farming Interest is Located		
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.		
Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.		
To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a> . USDA is an equal opportunity provider, employer, and lender.		

205 Completing CCC-902I (Continued)

B Example of CCC-902I (Continued)

**CCC-902I** (09-28-20) Name of Individual (as identified in Part A): IMA Farmer Page 2 of 4

**INSTRUCTIONS FOR PARTS C THROUGH H.** Only include information for the individual identified in Part A.

**PART C - LAND**

1. Land: Enter the following information for ALL land farmed by the individual identified in Part A and not as part of an entity. *If land is cash leased from an individual or entity with an interest in the crop or crop proceeds, include the rental rate in \$/acre Column F; otherwise enter "cash."*

A. Farm No.	B. Location (County and State)	C. Check As Applicable			D. Name of Individual or Entity Whom Land is Leased to and/or From (Includes names of landowners and landlords)	E. Acres Owned or Leased	F. Rental Rate \$ per Acre or % of Crop Share	G. Check here if same land interest was held last year
		Owned	Leased To	Leased From				
1147	Coahoma, MS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		304.2		<input checked="" type="checkbox"/>
4213	Coahoma, MS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		166.2		<input checked="" type="checkbox"/>
3975	Coahoma, MS	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Betty	60.0	67%	<input checked="" type="checkbox"/>
4212	Coahoma, MS	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	John	33.0	cash	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>

For additional space for land, complete CCC-902 Continuation and attach to this form. Check here  if attached.

**PART D - CAPITAL SOURCES and USES**

1. Indicate the source of all farming capital for the individual identified in Part A for the farms listed in Part C. (Check all that apply.)

Non-borrowed capital       Private loans/credit       FSA program payments  
 Commercial loans/credit       Other: \_\_\_\_\_

2. Will contributions of capital, farming equipment or land be acquired as a result of a loan or credit arrangement?

YES go to Item 3       NO go to Part E

3. Will such loan or credit be acquired from, guaranteed by, co-signed by, or secured by another individual or entity that has an interest in the farming operation identified in Part A? (Such interest may be as a landowner or another tenant.)

YES. Complete Items 3A through 3E       NO. Go to Part E.

A. Type of Contribution	B. Name of Loan or Credit Source	C. Guarantor's Name	D. Credit Source or Guarantor's Affiliation or Interest in the Farming Operation	E. Percent of Total Capital
				%
				%

**PART E - EQUIPMENT (All percentages are based on annual rental values.)**

1. **Owned Equipment:** Enter the percent of ALL equipment owned by the individual identified in Part A that will be used on the farms listed in Part C? If the individual specified in Part A does not own any of the equipment used in the farming operation, enter 0%. \_\_\_\_\_%

2. **Leased Equipment:** Enter the following information for ALL leased equipment to be used by the individual identified in Part A on the farms listed in Part C. If leased equipment is not used in this farming operation, enter 0%.

A. Percent of Total Equipment Used by the Individual	B. Name of Party/Entity Equipment is Leased From	C. Type of Equipment Leased	D. Does the Party/Entity the equipment is leased from have an interest in this farming operation?
%			<input type="checkbox"/> YES <input type="checkbox"/> NO
%			<input type="checkbox"/> YES <input type="checkbox"/> NO
%			<input type="checkbox"/> YES <input type="checkbox"/> NO

3. **Lease agreements:** If Item 2D is "YES," copies of lease agreement and documentation may be required for compliance purposes. GO TO Part F.

205 Completing CCC-902I (Continued)

B Example of CCC-902I (Continued)

<b>CCC-902I</b> (09-28-20)		Name of Individual (as identified in Part A): IMA Farmer		Page 3 of 4
<b>PART F - CUSTOM SERVICES</b>				
1. Will custom services be utilized by the individual identified in Part A on the farms listed in Part C? <input checked="" type="checkbox"/> NO. Go to Part G <input type="checkbox"/> YES, complete Items 1A through 1D of this Part.				
A. Type of Services	B. Farm Number(s)	C. Number of Acres	D. Name of Provider	
<b>PART G - LABOR</b>				
For the farms listed in Part C, enter the information for contributions of active personal labor which will be provided by the individual identified in Part A, hired laborers; or by others:				
<b>Type</b>				<b>Amount</b>
1. <b>Active personal labor.</b> Enter the percentage or hours to be provided by the individual identified in Part A. If the individual identified in Part A performs 1,000 or more hours of labor for this farming operation, enter "1,000" hours.				100 %
				hrs
2. <b>Hired labor.</b> Enter the percentage or hours of labor that will be hired.				0 %
				hrs
A. Will any of the hired labor originate from the same source as leased equipment shown in Part E? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
B. Will any of the hired labor be included in the custom farming services shown in Part F? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
3. <b>Other labor.</b> Enter the percentage of labor to be donated by family members or others. <i>(No payment will be owed).</i>				0 %
<b>PART H - MANAGEMENT</b> <i>(The total percentage shown in Items 1 through 3 must equal 100%)</i>				
For the farms listed in Part C, enter the percentage or hours of the individual's total management responsibility and the type of managerial duties required which will be provided by the individual identified in Part A, by hired persons or entities, or by others who are not hired.				
1. <b>Active personal management:</b>				
A. Enter the percent of active personal management to be provided by the individual identified in Part A:				100 %
B. List the type of managerial duties/activities to be personally performed by the individual identified in Part A:				
2. <b>Hired management:</b>				
A. Enter the percent of hired management:				0 %
B. Describe any paid management services provided by someone other than the individual identified in Part A:				
3. <b>Other management:</b>				
A. Enter the percent of other management:				0 %
B. Describe any non-compensated management duties/activities provided by someone other than the individual identified in Part A:				
<b>PART I - CERTIFICATION</b>				
<i>I certify that all the information entered on this document and any supporting documentation is true and correct. I understand furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation. By signing this form, I acknowledge that:</i>				
<ul style="list-style-type: none"> <li>• all supporting documentation has been submitted as required.</li> <li>• I have read and understand all definitions and requirements on Page 4.</li> <li>• all information contained on this form will be considered in effect continuously unless changes or revisions are submitted.</li> <li>• it is my responsibility to timely notify FSA in writing of any changes in the farming, ranching or forestry operation, or financial status that may affect these representations.</li> <li>• evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and that I will take all necessary actions to provide such materials to FSA if requested.</li> </ul>				
1. Signature (By)		2. Title/Relationship of the Individual Signing in Representative Capacity		3. Date (MM-DD-YYYY)
				12-12-2019

## B Example of CCC-902I (Continued)

CCC-902I (09-28-20)	Page 4 of 4
<b>DEFINITIONS</b>	
The following definitions apply to Form CCC-902I.	
<ol style="list-style-type: none"> <li data-bbox="310 373 1455 470">1. <b>ACTIVELY ENGAGED IN FARMING</b> – means providing both: 1) significant contributions of capital, equipment, or land, or combination thereof to the farming operation; and 2) significant contributions of active personal labor or active personal management, or a combination thereof, to the farming operation as described. Further, for a person or legal entity to be considered actively engaged in farming for program payment purposes, the contributions of the person or legal entity must be at-risk and commensurate with the person's or legal entity's claimed share of the profit and loss of the farming operation. Failure to meet these requirements will result in the determination of ineligibility for payments under programs specified in 7 CFR Part 1400.</li> <li data-bbox="310 489 1430 548">2. <b>INTEREST IN A FARMING OPERATION</b> – a person or legal entity is considered to have an interest in this farming operation if the person or legal entity owns or rents land to this farming operation; or has an interest in the crop or crop proceeds from this farming operation; or is a member of a joint operation that either owns or rents land to this farming operation, or has an interest in the crop or crop proceeds from this farming operation.</li> <li data-bbox="310 577 948 598">3. <b>JOINT OPERATION</b> - is a general partnership, joint venture, or similar organization.</li> <li data-bbox="310 619 911 640">4. <b>PERSON</b> – is a natural person (an individual) and does not include a legal entity.</li> <li data-bbox="310 651 1446 724">5. <b>ACTIVE PERSONAL LABOR</b> – a person is considered to be providing active personal labor with respect to a farming operation if that person is directly and personally providing physical activities necessary to conduct the farming operation, including land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities. Other qualifying physical activities include establishing and maintaining conserving covers and those physical activities necessary for livestock production for the farming operation.</li> <li data-bbox="310 745 1455 879">6. <b>ACTIVE PERSONAL MANAGEMENT</b> – a person is considered to be providing active personal management with respect to a farming operation if that person is directly and personally providing the general supervision and direction of activities and labor involved in the farming operation; or providing services (whether performed on-site or off-site) reasonably related and necessary to the farming operation. The management activities must be critical to the profitability of the farming operation and performed under one or more of the following categories: 1) Capital which includes arranging financing and managing capital; acquiring equipment; acquiring land and negotiating leases; managing insurance and participating in USDA programs; 2) Labor which includes hiring and managing of hired labor; 3) Agronomics and marketing which includes selecting crops and making planting decisions; acquiring and purchasing of crop inputs; managing crops and making harvesting decisions; pricing and marketing of crop production.</li> <li data-bbox="310 900 1455 997">7. <b>CAPITAL</b> – with respect to a farming operation is the funding provided by a person or legal entity to the farming operation in order for such operation to conduct farming activities. To be considered a significant contribution for a person or legal entity, the capital must have been derived from a fund or account separate and distinct from that of any other person or entity with an interest in the farming operation. A significant contribution of capital does not include the value of any labor or management which is contributed to the farming operation. A capital contribution may be a direct non-borrowed (out-of-pocket) input of a specified sum or an amount borrowed by the person or entity. Capital does not include advance program payments.</li> <li data-bbox="310 1018 1406 1077">8. <b>CONTRIBUTION</b> – with respect to a farming operation is the provision of land, capital or equipment assets, and providing active personal labor, or active personal management to the farming operation in exchange for, or the expectation of, deriving benefits based solely on the success of the farming operation. Contributions must be “significant”.</li> <li data-bbox="310 1098 1455 1127">9. <b>CUSTOM SERVICES</b> – with respect to a farming operation is the hiring of a contractor or vendor that is in the business of providing such specialized services to perform services for the farming operation in exchange for the payment of a fee for such services performed.</li> <li data-bbox="310 1148 1455 1207">10. <b>ENTITY</b> - is a corporation, joint stock company, limited liability company, association, limited partnership, limited liability partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any such organization participating in the farming operation as a partner in a general partnership, participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.</li> <li data-bbox="310 1228 1455 1287">11. <b>EQUIPMENT</b> – with respect to a farming operation is the machinery and implements needed to conduct activities of the farming operation including machinery and implements used for land preparation, planting, cultivating, harvesting or marketing crops. Equipment also includes machinery and implements needed to establish and maintain conserving covers.</li> <li data-bbox="310 1308 1455 1367">12. <b>FAMILY MEMBER</b> – a person is considered to be a family member of another person in the farming operation if that person is related to the other person as a lineal ancestor, lineal descendant, sibling, 1st cousin, niece, nephew, spouse, or otherwise by marriage. This relationship includes great grandparent, grandparent, parent, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1st cousin, niece, nephew, aunt, uncle or spouse of family member in the farming operation.</li> <li data-bbox="310 1388 1419 1446">13. <b>FARMING OPERATION</b> - is a business enterprise engaged in the production of agricultural products which is operated by a person or legal entity which is eligible to receive payments, directly or indirectly.</li> <li data-bbox="310 1467 1430 1488">14. <b>LAND</b> – with a respect to a contribution to a farming operation is farmland consisting of cropland, pastureland, wetland, or rangeland which meets the specific requirements of the applicable program for which payments or benefits are sought.</li> <li data-bbox="310 1509 1455 1583">15. <b>SUPPORTING DOCUMENTATION</b> – is any information that supports the relevant representations made such as, but not limited to: articles of incorporation; corporate meeting minutes; stock certificates; organizational papers; trust agreement; last will or testament or a deceased individual; affidavit of heirship approved by Office of General Counsel; partnership agreement; property lease agreement; purchase agreement; land deed; lending security agreement; and financial statement.</li> <li data-bbox="310 1604 911 1625">16. All other terms utilized in this form shall be defined pursuant to 7 CFR Part 1400.</li> </ol>	
<p data-bbox="310 1625 1455 1709"><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify the farm operating plan data needed to determine an individual's eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</p> <p data-bbox="383 1724 1273 1745"><b>Paperwork Reduction Act (PRA) Statement</b> This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B).</p> <p data-bbox="383 1755 1455 1797"><b>Public Burden Statement:</b> For CFAP 2.0 only, public reporting burden for this collection is estimated to average 5 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection, or USDA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p>	

206 Business File Equivalent of CCC-902I

A Business File Data Entry Process

For the automated CCC-902, load information about a producer’s farming operation in the web-based system according to 3-PL (Rev. 2), Part 10.

This table illustrates the data entry process for the information on the manual CCC-902I example in subparagraph 205 B.

Web Page	Data Recorded in System
Contributions	<ul style="list-style-type: none"> <li>• Capital – Yes</li> <li>• Land – Yes</li> <li>• Equipment – Yes</li> <li>• Labor – Yes</li> <li>• Management – Yes</li> <li>• Custom Services – No</li> </ul>
Land	<p>Recorded the following leases:</p> <ul style="list-style-type: none"> <li>• FSN 3975 – Tract 1376 share lease from owner (percentage of division not needed)</li> <li>• FSN 4212 – Tract 1269 - cash lease from owner.</li> </ul> <p><b>Note:</b> Did <b>not</b> record lease on FSN’s 1147 and 4213. This producer is the owner and owner-operator on these farms and the example presumes there are no leases on these farms, but these leases are listed in the “Owned” section of the automated form.</p>
Equipment	<ul style="list-style-type: none"> <li>• Owned – Yes</li> <li>• Leased From – No</li> <li>• Leased To – No</li> <li>• Other – No</li> </ul>
Owned Equipment	<ul style="list-style-type: none"> <li>• 100 percent</li> <li>• No additional information recorded</li> </ul>
Labor Types	<ul style="list-style-type: none"> <li>• Active Personal – Yes</li> <li>• Hired – No</li> <li>• Other – No</li> </ul>
Labor Contributions	100 percent active personal management
Management Types	<ul style="list-style-type: none"> <li>• Active Personal – Yes</li> <li>• Hired – No</li> <li>• Other – No</li> </ul>
Management Contributions	<ul style="list-style-type: none"> <li>• 100 percent active personal management</li> <li>• No duties performed were specified</li> </ul>

206 Business File Equivalent of CCC-902I (Continued)

B Farming Operation Summary Page

Following is an example of a Business File farming operation summary.

**Business File Menu**

Welcome: Iobette Butler  
User Role: FSA

Select Different Customer

Record New Farm Operating Plan

Manage Customer

**Individual**

General

Contributions

Capital

Land

Custom Services

Equipment

Labor

Management

Summary

**Other**

Remarks

**Submit Plan**

Summary

Validations

Record Signatures

View SD2

### Farming Operation Summary

**CUSTOMER INFORMATION**

**FARMING OPERATION:** Ima Farmer  
**BUSINESS TYPE:** Individual

**General Information**

U.S. citizen or resident alien? **Yes**  
Is 18 years of age or older? **Yes**

---

**Capital Contributions**

Has capital contributions? **Yes**  
Capital contribution percentage from all sources:

Sources of capital:

- Non-borrowed capital
- FSA program payments

---

**Land Contributions**

Has land contributions? **Yes**

State	County	Farm No.	Tract No.	Owned	Leased To	Leased From	Leased To/From
Mississippi	Coahoma	1147	6586	✓			
Mississippi	Coahoma	3975	1376			✓	Farmer Trust
Mississippi	Coahoma	4212	1269			✓	Ima Farmer Sr
Mississippi	Coahoma	4213	1270	✓			
Mississippi	Coahoma	4213	1271	✓			
Mississippi	Coahoma	4213	1272	✓			

---

**Custom Services**

Utilizes custom services? **No**

---

**Equipment Contributions**

Has equipment contributions? **Yes**  
Has owned equipment? **Yes**  
Has equipment leased from another producer? **No**  
Has equipment leased to another producer? **No**  
Has additional equipment? **No**

Type	Additional Info	% Contribution
Owned		100%
<b>Total Inflows:</b>		<b>100%</b>

---

**Labor Contributions**

Has labor contributions? **Yes**  
Active personal labor? **Yes**  
Active personal labor contribution percentage: **100%**  
Hired labor? **No**  
Additional labor? **No**

---

**Management Contributions**

Has management contributions? **Yes**  
Active personal management? **Yes**  
Active personal management contribution percentage: **100%**  
Type of active personal management duties: **Make all planting, harvesting, marketing, and business and financial decisions.**  
Hired management? **No**  
Additional management? **No**



206 Business File Equivalent of CCC-902I (Continued)

C Example of Automated CCC-902

Following is an example of the automated CCC-902.

<b>CCC-902</b> (3/28/2014)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation					Date Submitted: 08/12/2014 Version Number: 1		
<b>FARM OPERATING PLAN FOR PAYMENT ELIGIBILITY</b> <b>2009 and Subsequent Program Years</b>							<b>Program Year</b> 2014		
For "actively engaged in farming" and other payment eligibility and limitation determinations.									
This form is to be completed by, or on behalf of, the individual or legal entity identified in Part A that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the individual or legal entity that receives program benefits directly using the tax identification number identified in Part A. This form also collects information about the members of legal entities. Payment eligibility is based upon the contribution level of certain inputs to a farming operation such as land, capital, equipment, labor, and management. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.									
<b>Part A - General Farming Operation Information</b>									
<b>Producer's Name</b> IMA FARMER			<b>Tax ID Number and ID Type</b> (last 4 digits) XXXX S			<b>Business Type</b> Individual			
<b>Part B - Capital Information</b> Note: Do not include capital contributed by <i>members</i> of general partnerships or joint ventures. (applicable for all business types)									
Does the producer provide capital to this farming operation?							Yes		
What percent of capital is contributed by the producer to this farming operation from all sources?							100 %		
Indicate the source of all farming capital for the producer. (Check all that apply)									
<input checked="" type="checkbox"/> Non-borrowed capital			<input type="checkbox"/> Commercial loans/credit			<input type="checkbox"/> Other/Additional			
<input checked="" type="checkbox"/> FSA program payments			<input type="checkbox"/> Private Loans/credit						
<b>Part C - Land Information</b> (applicable for all business types)									
Does the producer contribute land to the farming operation?							Yes		
Does this farming operation own ANY land?							Yes		
State	Administrative County	Farm Serial Number	Tract Number	Farmland Acres	Cropland Acres	Farmland Acres Not Leased	Is any land leased to another producer?		
MS	Coahoma	1147	6686	320.0	304.2	320.0	No		
MS	Coahoma	4213	1270	59.0	49.2	59.0	No		
MS	Coahoma		1271	58.0	53.0	58.0	No		
MS	Coahoma		1272	78.0	64.0	78.0	No		
Does this farming operation lease land from another producer?							Yes		
State	Administrative County	Farm Serial Number	Tract Number	Name of Person Land is Leased From	Leased Acres	Type of Acres	Type of Lease	Crop Share	Interest in the Land is same as last year?
MS	Coahoma	3975	1376	FARMER TRUST	60.0	Cropland	Share	67%	Yes
MS	Coahoma	4212	1269	IMA FARMER SR	33.0	Cropland	Cash		Yes
Does this farming operation lease land to another producer?							No		
<b>Part D - Custom Services</b> (applicable for all business types)									
Will custom services, such as harvesting, spraying, fertilization, tillage, seeding, etc., be utilized for this farming operation?							No		
<b>Part E - Equipment Information</b> Note: Do not include equipment contributed by <i>members</i> of general partnerships or joint ventures. (applicable for all business types)									
Does the producer provide equipment to this farming operation?							Yes		
What percent of the equipment does the producer contribute to this farming operation?							100 %		
Does the producer own any equipment contributed to this farming operation?							Yes		
What percentage of owned equipment does the producer contribute to this farming operation?							100 %		
Additional Information for Owned Equipment									
Does the producer lease any equipment contributed to this farming operation from another producer?							No		
Is any of the equipment contributed to this farming operation leased to another producer?							No		
Is there any additional equipment contributed to the farming operation?							No		
<b>Part F - Labor Information</b> (applicable for all business types)									
Does the producer provide labor to this farming operation?							Yes		
Does the producer contribute active personal labor to the farming operation?							Yes		
What is the estimated percentage of active personal labor?							100 %		
Is any of the labor contributed to the farming operation hired?							No		
Is there any additional labor contributed to the farming operation?							No		
<b>Part G - Management Information</b> (applicable for all business types)									
Does the producer provide management to this farming operation?							Yes		
Does the producer contribute active personal management to the farming operation?							Yes		

206 Business File Equivalent of CCC-902I (Continued)

C Example of Automated CCC-902 (Continued)

<b>CCC-902 (Page 2)</b>		Date Submitted: 08/12/2014	Version Number: 1
What is the estimated percent of active personal management contributed to the farming operation?		100	%
Types of Management Duties Performed Make all planting, harvesting, marketing and financial decisions			
Is any of the management contributed to the farming operation hired?		No	
Is there any additional management duties/activities contributed to the farming operation?		No	
<b>Part H - Minor Information</b> (only applicable for individuals)			
Will the producer be 18 years of age by June 1 of the current program year?		Yes	
<b>Part I - Citizenship Information</b> (only applicable for individuals)			
Is the producer a United States citizen or an alien lawfully admitted into the United States?		Yes	
<b>Part J - Remarks</b>			
<b>Part K - Certification</b> (applicable for individuals and entities)			
I certify that all the information entered on this document and any supporting documentation is true and correct. I understand furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency Committees of any changes in this farming operation. By signing this form, I acknowledge that:			
<ul style="list-style-type: none"> <li>• all supporting documentation has been submitted as required</li> <li>• I have read and understand all definitions and requirements</li> <li>• all information contained on this form will be considered in effect continuously unless changes or revisions are submitted.</li> <li>• it is my responsibility to timely notify FSA in writing of any changes in the farming, ranching or forestry operation, or financial status that may affect these representations.</li> <li>• evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and that I will take all necessary actions to provide such materials to FSA if requested.</li> </ul>			
Signature of Producer (by)	Title/Relationship of the Individual Signing in Representative Capacity	Date (MM-DD-YYYY)	
<p><small>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Food Security Act of 1985 (Pub. L. 99-198 - as amended), the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to identify the farm operating plan data needed to determine eligibility for program benefits.</small></p> <p><small>The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</small></p> <p><small>This information collection is exempted from the Paperwork Reduction Act as specified in the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title 1, Subtitle F, Administration) and the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.</small></p>			
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a>, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider and employer.</small></p>			

## 206 Business File Equivalent of CCC-902I (Continued)

**D Comparison of Manual CCC-902I and Automated CCC-902**

The following table compares the parts and features of the manual CCC-902I and automated CCC-902.

<b>Item or Contribution</b>	<b>CCC-902I</b>	<b>Automated CCC-902</b>	<b>Explanation of Differences</b>
Name, Address, TIN	Part A	Part A	CCC-902I - manual entries.  Automated CCC-902 - SCIMS records.
Citizenship Status	Part B	Part I	
Minor Child Status	Part B	Part H	
Other Farming Interests	Part B		CCC-902I - manual entries.  Automated CCC-902 - this information will not be recorded in the collection process.
Land	Part C	Part C	CCC-902I - manual entries by farm number, cropland acres only.  Automated CCC-902 - sourced from farm records; entries by farm number, tract number, cropland and farmland acres; percentage of division not needed for share leases.
Capital	Part D	Part B	Both forms - manual entries.  Automated CCC-902 - entry for percentage of total contribution.
Equipment	Part E	Part E	Both forms - manual entries.  Automated CCC-902 - entry about leasing to another producer.
Labor	Part G	Part F	Both forms - entries for percentage contribution.  Automated CCC-902 - no entry for hours provided.
Management	Part H	Part G	Both forms - entries for percentage contribution.
Custom Services	Part F	Part D	Both forms - same or similar entries.
Certification	Part K	Part K	Both forms - same entries and requirements.

207 Completing CCC-902I Short Form

**A Instructions for Completing CCC-902I Short Form**

Complete CCC-902I Short Form according to this table.

Item	Instruction
1	Enter name of the county. If in more than 1 county, enter the name of the county that has been designated the recording county.
2	Enter name of the State.
3	Enter crop year for which this certification applies.
<b>Part A</b>	
1	Enter name and address, including ZIP Code, of the person. If the person conducts business using an assumed name, include the assumed name.  <b>Example:</b> John Doe, dba John Doe Grain Farms.
2	Enter TIN of the person.
<b>Part B</b>	
1	Select either of the following, as applicable:  <ul style="list-style-type: none"> <li>• “Yes”, if the person in Part A is a U.S. citizen; go to item 4</li> <li>• “No”, if the person in Part A is <b>not</b> a U.S. citizen; go to item 2.</li> </ul>
2	Select:  <ul style="list-style-type: none"> <li>• “Yes”, if the person in Part A is an alien lawfully admitted to the U.S.; the person <b>must</b> present I-551</li> <li>• “No”, if the person in Part A is <b>not</b> a U.S. citizen and the person did <b>not</b> present I-551.</li> </ul>
3 <b>County Office Only</b>	County Office must select “Yes” or “No” indicating that I-551 was presented.
4	Select:  <ul style="list-style-type: none"> <li>• “No”, if the person in Part A was 18 years of age or older on June 1; * * *</li> <li>• “Yes”, if the person in Part A was younger than 18 years of age on June 1; <b>stop</b>. CCC-902I <b>must</b> be completed instead of CCC-902I Short Form.</li> </ul>

207 Completing CCC-902I Short Form (Continued)

A Instructions for Completing CCC-902I Short Form (Continued)

Item	Instruction
<b>Part C</b>	
1	<p>Select:</p> <ul style="list-style-type: none"> <li>• “<b>No</b>”, if the contributions of land, capital, or equipment of the person in Part A will <b>not</b> be acquired as the result of a loan or credit arrangement from an individual or entity with an interest in the farming operation; go to item 2</li> <li>• “<b>Yes</b>”, if the contributions of land, capital, or equipment of the person in Part A will be acquired as the result of a loan or credit arrangement from an individual or entity with an interest in the farming operation; <b>stop</b>. CCC-902I <b>must</b> be completed instead of CCC-902I Short Form.</li> </ul>
2	<p>Using custom services by the farming operation in Part A does <b>not</b> apply:</p> <ul style="list-style-type: none"> <li>• to services for chemical and fertilizer application</li> <li>• to the harvesting of crops</li> <li>• if all the land in the farming operation is owned.</li> </ul> <p>Select:</p> <ul style="list-style-type: none"> <li>• “<b>No</b>”, if custom services will <b>not</b> be used by the farming operation in Part A; go to item 3</li> <li>• “<b>Yes</b>”, if custom services will be used by the farming operation in Part A. <b>Stop</b>. CCC-902I <b>must</b> be completed instead of CCC-902I Short Form.</li> </ul>

207 Completing CCC-902I Short Form (Continued)

A Instructions for Completing CCC-902I Short Form (Continued)

Item	Instruction
3	Enter the following information for <b>all</b> land that is operated by the person in Part A.
A	Enter farm number.
B	Enter county and State where located.
C	Select the applicable box to show whether land is owned, leased to someone, or leased from someone.
D	Enter name of the individual, entity, or joint operation to whom or from whom the land is leased.
E	Enter acres owned or leased on the farm.
F	If the land is: <ul style="list-style-type: none"> <li>• share-leased, ENTER “share” (optional to enter the percentage that represents the share of the individual identified in Part A)</li> <li>• cash-leased, enter the following:                             <ul style="list-style-type: none"> <li>• “cash”, if the land is cash-leased from an unrelated individual or entity</li> <li>• the rental rate in dollars per acre if the land is cash-leased from an individual or entity who has an interest in the crop or crop proceeds (optional).</li> </ul> </li> </ul>
G	Select the box if same land interest was held last year.  If additional space is needed for land, complete and attach CCC-902 Continuation.
4	Select all sources of capital for the person in Part A that apply. If “Other” is selected, specify.

207 Completing CCC-902I Short Form (Continued)

A Instructions for Completing CCC-902I Short Form (Continued)

Item	Instruction	
5A and 5B	Of the total equipment to be used in the farming operation of the person in Part A, enter the following for the person in Part A: <ul style="list-style-type: none"> <li>• percentage of the equipment that is owned in item 5A</li> <li>• percentage of the equipment that is leased in item 5B.</li> </ul>	
5C	If the person in Part A leased equipment, indicate whether the equipment was leased from an individual or entity who has an interest in the farming operation of the joint operation or entity in Part A.	
	<b>IF the equipment was...</b>	<b>THEN select...</b>
	leased from an individual or entity who has an interest in the farming operation of the person in Part A	"Yes".
	not leased from an individual or entity who has an interest in the farming operation of the person in Part A	"No".
<b>Part D</b>		
1	Enter percentage or number of hours of active personal labor the person in Part A personally provides to the farming operation.	
2	Enter percentage or number of hours of hired labor used in the farming operation of the person in Part A.	
3	<b>IF...</b>	<b>THEN select...</b>
	none of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part C	"No".
	any of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part C	"Yes".
	<b>Note:</b> Acceptable documentation of equipment lease and hired labor agreements may be <b>required</b> for compliance purposes.	
<b>Part E</b>		
The total percentage shown in items 1 and 2 <b>must</b> equal 100 percent.		
1	Enter estimated percent or hours of active personal management the person in Part A personally provides to the farming operation.	
2	Enter estimated percent or hours of hired management to be used in the farming operation of the person in Part A.	
<b>Part F</b>		
1	The person in Part A, or an authorized representative of the person in Part A, must sign the certification.	
2	If the person in Part A signs CCC-902I Short Form, this item should be left blank.  If an authorized representative for the person in Part A signs CCC-902I Short Form, use this item to show the individual's representative capacity. For example, "Agent" or "Attorney-in-fact."	
3	Enter the date CCC-902I Short Form was signed.	

207 Completing CCC-902I Short Form (Continued)

B Example of CCC-902I Short Form

Following is an example of a completed CCC-902I Short Form.

This form is available electronically. <span style="float:right">(See Page 2 for Privacy Act Statement)</span>						
<b>CCC-902I Short Form</b> U.S. DEPARTMENT OF AGRICULTURE (09-28-20) Commodity Credit Corporation	1. County Buffalo					
<b>FARM OPERATING PLAN FOR AN INDIVIDUAL</b>	2. State CO					
3. Program Year 2020						
<b>For "actively engaged in farming" and other payment eligibility and limitation determinations.</b> <i>This form is to be completed by, or on behalf of, a person who is seeking benefits from the Farm Service Agency (FSA) as an individual (and not as part of an entity or joint operation) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the person who receives program benefits directly using the social security number identified in Part A. Payment eligibility for the person is based upon the contribution level of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the person identified in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.</i>						
<b>PART A PRODUCER INFORMATION</b>						
1. Person's Name and Address (include Zip Code) Samuel R Hill 2520 Circle Drive Plains, CO XXXXX-XXXX	2. Social Security Number (if the social security number or taxpayer ID number is on file, only the last 4 digits are required) XXXX					
<b>PART B ADDITIONAL INFORMATION</b>						
1. Is this person a U.S. citizen? <input checked="" type="checkbox"/> YES. Go to Item 4 <input type="checkbox"/> NO. Go to Item 2	2. Is this person an alien lawfully admitted into the U.S.? <input type="checkbox"/> YES, must present a Resident Alien Card (I-551). <input type="checkbox"/> NO					
3. (Was a Resident Alien Card, I-551 shown?) <input type="checkbox"/> YES <input type="checkbox"/> NO						
<b>Minors</b> 4. Is this person under 18 years of age as of June 1 of the program year that is specified in Item 3? <input checked="" type="checkbox"/> NO. Go to Item 5 <input type="checkbox"/> YES. Stop - Use CCC-902I						
<b>PART C LAND, CAPITAL &amp; EQUIPMENT (Attach form CCC 902 Continuation for additional land interests)</b>						
1. Will the contributions of land, capital, or equipment for the farming operation identified in Part A be acquired as the result of a loan or credit arrangement from a person or entity that has an interest in the farming operation identified in Part A? <input type="checkbox"/> NO. Go to Item 2 <input type="checkbox"/> YES. Stop - Use CCC-902I						
2. Will custom services be utilized in the farming operation identified in Part A? <input checked="" type="checkbox"/> NO. Go to Item 3 <input type="checkbox"/> YES. Stop - Use CCC-902I						
3. Enter the following information for ALL land farmed by the individual identified in Part A and not as part of an entity. <b>If land is cash leased from a person or entity with an interest in the crop or crop proceeds, include the rental rate in \$/acre in Column F; otherwise enter "cash."</b>						
A. Farm No.	B. Location (County and State)	C. Check As Applicable	D. Name of Person or Entity Whom Land is Leased to and/or From (Includes names of landowners and landlords)	E. Acres Owned or Leased	F. Rental Rate \$ per Acre/ % of Crop Share	G. Check here if same land interest was held last year
		Owned Leased To Leased From				
352	Buffalo, CO	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		320		<input checked="" type="checkbox"/>
695	Custer, CO	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		420		<input checked="" type="checkbox"/>
		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>				<input type="checkbox"/>
4. <b>Capital</b> - Indicate the source(s) of farming capital for the farming operation identified in Part A. (Check all that apply.) <input checked="" type="checkbox"/> Non-borrowed <input type="checkbox"/> Commercial loans/credit <input type="checkbox"/> Private loans/credit <input checked="" type="checkbox"/> FSA program payments <input type="checkbox"/> Other:						
5. <b>Equipment</b> - Enter the percentages owned and/or leased to be used by the farming operation identified in Part A.						
C. If leased, does the person/entity the equipment is leased from have an interest in the farming operation identified in Part A? <input type="checkbox"/> YES <input type="checkbox"/> NO					A. Owned 100 %	B. Leased 0 %
<b>PART D LABOR</b>						
1. <b>Active personal labor.</b> Enter the percentage or hours to be provided by the person identified in Part A: 100 % _____ hours						
2. <b>Hired labor.</b> Enter the percentage or hours of labor that will be hired by the person identified in Part A: 0 % _____ hours						
3. Will any of the hired labor originate from the same source as the leased equipment in Part C <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO.						
<b>PART E MANAGEMENT</b>						
1. <b>Active personal management.</b> Enter the estimated percent of active personal management to be provided by the person identified in Part A: 100 %						
2. <b>Hired management:</b> Enter the estimated percent of management hired by the person identified in Part A: 0 %						
<b>PART F CERTIFICATION</b>						
I certify that all the information entered on this document and any supporting documentation is true and correct. I understand furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation.						
1. Signature of Producer (By)		2. Title/Relationship if Signing as Representative			3. Date (MM-DD-YYYY)	
					12-13-2019	



B Example of CCC-902I Short Form (Continued)

**CCC-902I Short Form (09-28-20)** Page 2 of 2

**DEFINITIONS**

The following definitions apply to Form CCC-902I Short Form.

1. **ACTIVELY ENGAGED IN FARMING** – means providing both: 1) significant contributions of capital, equipment, or land, or combination thereof to the farming operation; and 2) significant contributions of active personal labor or active personal management, or a combination thereof, to the farming operation as described. Further, for a person or legal entity to be considered actively engaged in farming for program payment purposes, the contributions of the person or legal entity must be at-risk and commensurate with the person's or legal entity's claimed share of the profit and loss of the farming operation. Failure to meet these requirements will result in the determination of ineligibility for payments under programs specified in 7 CFR Part 1400.
2. **INTEREST IN A FARMING OPERATION** – a person or legal entity is considered to have an interest in a particular farming operation if the person or legal entity owns or rents land to or from that farming operation; has an interest in the agricultural commodities produced on the operation; or is a member of a joint operation that either owns or rents land to or from the farming operation, or has an interest in the agricultural commodities produced on that operation.
3. **JOINT OPERATION** - is a general partnership, joint venture, or similar organization.
4. **PERSON** – is a natural person (an individual) and does not include a legal entity.
5. **ACTIVE PERSONAL LABOR** – a person is considered to be providing active personal labor with respect to a farming operation if that person is directly and personally providing physical activities necessary to conduct the farming operation, including land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities. Other qualifying physical activities include establishing and maintaining conserving covers and those physical activities necessary for livestock production for the farming operation.
6. **ACTIVE PERSONAL MANAGEMENT** – a person is considered to be providing active personal management with respect to a farming operation if that person is directly and personally providing the general supervision and direction of activities and labor involved in the farming operation; or providing services (whether performed on-site or off-site) reasonably related and necessary to the farming operation. The management activities must be critical to the profitability of the farming operation and performed under one or more of the following categories: 1) Capital which includes arranging financing and managing capital; acquiring equipment; acquiring land and negotiating leases; managing insurance and participating in USDA programs; 2) Labor which includes hiring and managing of hired labor; 3) Agronomics and marketing which includes selecting crops and making planting decisions; acquiring and purchasing of crop inputs; managing crops and making harvesting decisions; pricing and marketing of crop production.
7. **CAPITAL** – with respect to a farming operation is the funding provided by a person or legal entity to the farming operation in order for such operation to conduct farming activities. To be considered a countable contribution for a person or legal entity, the capital must have been derived from a fund or account separate and distinct from that of any other person or entity involved in such operation. Countable capital does not include the value of any labor or management which is contributed to the farming operation. A capital contribution may be a direct non-borrowed (out-of-pocket) input of a specified sum or an amount borrowed by the person or entity. Capital does not include advance program payments.
8. **CONTRIBUTION** – with respect to a farming operation is the provision of land, capital or equipment assets, and providing active personal labor, or active personal management to the farming operation in exchange for, or the expectation of, deriving benefits based solely on the success of the farming operation. Contributions must be "significant".
9. **CUSTOM SERVICES** – with respect to a farming operation is the hiring of a contractor or vendor that is in the business of providing such specialized services to perform services for the farming operation in exchange for the payment of a fee for such services performed.
10. **ENTITY** - is a corporation, joint stock company, limited liability company, association, limited partnership, limited liability partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any such organization participating in the farming operation as a partner in a general partnership, participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.
11. **EQUIPMENT** – with respect to a farming operation is the machinery and implements needed to conduct activities of the farming operation including machinery and implements used for land preparation, planting, cultivating, harvesting or marketing crops. Equipment also includes machinery and implements needed to establish and maintain conserving covers.
12. **FAMILY MEMBER** – a person is considered to be a family member of another person in the farming operation if that person is related to the other person as a lineal ancestor, lineal descendant, sibling, 1st cousin, niece, nephew, spouse, or otherwise by marriage. This relationship includes great grandparent, grandparent, parent, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1st cousin, niece, nephew, aunt, uncle or spouse of family member in the farming operation.
13. **FARMING OPERATION** - is a business enterprise engaged in the production of agricultural products which is operated by a person or legal entity which is eligible to receive payments, directly or indirectly.
14. **LAND** – with a respect to a contribution to a farming operation is farmland consisting of cropland, pastureland, wetland, or rangeland which meets the specific requirements of the applicable program for which payments or benefits are sought.
15. **SUPPORTING DOCUMENTATION** – is any information that supports the relevant representations made such as, but not limited to: articles of incorporation; corporate meeting minutes; stock certificates; organizational papers; trust agreement; last will or testament of a deceased person; affidavit of heirship approved by Office of General Counsel; partnership agreement; property lease agreement; purchase agreement; land deed; lending security agreement; and financial statement.
16. All other terms utilized in this form shall be defined pursuant to 7 CFR Part 1400.

**NOTE:** The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify the farm operating plan data needed to determine an individual's eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.

**Paperwork Reduction Act (PRA) Statement:** This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (800) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 696-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

208 Business File Equivalent of CCC-902I Short Form

A Business File Data Entry Process

For the automated CCC-902, load information about a producer’s farming operation in the web-based system according to instructions in 3-PL (Rev. 2), Part 10.

This table illustrates the data entry process for the information contained on the manual CCC-902I Short Form shown in subparagraph 207 B.

Web Page	Data Recorded in System
Contributions	<ul style="list-style-type: none"> <li>• Capital – Yes</li> <li>• Land – Yes</li> <li>• Equipment – No</li> <li>• Labor – No</li> <li>• Management – Yes</li> <li>• Custom Services – No</li> </ul>
Capital	Selected “Non-borrowed capital”
Land	<p>Recorded the following leases:</p> <ul style="list-style-type: none"> <li>• FSN 1147 – Tract 6686 share lease to operator (percentage of division not needed for share leases)</li> <li>• FSN 4213 – Tract 1270 - cash lease to other tenant.</li> </ul> <p><b>Note:</b> Did <b>not</b> record lease on FSN 4213 for Tracts 1271 and 1272. This producer is the owner-operator on that farm and the example presumes there are no leases on those tracts, but they are listed in the “Owned” section of the automated form.</p>
Management Types	<ul style="list-style-type: none"> <li>• Active Personal – Yes</li> <li>• Hired – No</li> <li>• Other – No</li> </ul>
Management Contributions	<ul style="list-style-type: none"> <li>• 100 percent active personal management</li> <li>• No duties performed were specified</li> </ul>

208 Business File Equivalent of CCC-902I Short Form (Continued)

B Farming Operation Summary Page

Following is an example of a Business File farming operation summary.

**Business File Menu**

Welcome: Bobbie Butler  
User Role: FSA

Select Different Customer

Record New Farm Operating Plan

Manage Customer

**Individual**

General

Contributions

Capital

Land

Custom Services

Equipment

Labor

Management

Summary

**Other**

Remarks

**Submit Plan**

Summary

Validations

Record Signatures

View 902

## Farming Operation Summary

**CUSTOMER INFORMATION**

**FARMING OPERATION:** Ima Farmer

**BUSINESS TYPE:** Individual

**General Information**

U.S. citizen or resident alien? **Yes**

Is 18 years of age or older? **Yes**

---

**Capital Contributions**

Has capital contributions? **Yes**

Capital contribution percentage from all sources:

Sources of capital:

- Non-borrowed capital

---

**Land Contributions**

Has land contributions? **Yes**

State	County	Farm No.	Tract No.	Owned	Leased To	Leased From	Leased To/From
Mississippi	Coahoma	1147	6686	✓	✓		Farmer LLC
Mississippi	Coahoma	4213	1270	✓	✓		Farmer Farms
Mississippi	Coahoma	4213	1271	✓			
Mississippi	Coahoma	4213	1272	✓			

---

**Custom Services**

Utilizes custom services? **No**

---

**Equipment Contributions**

Has equipment contributions? **No**

---

**Labor Contributions**

Has labor contributions? **No**

---

**Management Contributions**

Has management contributions? **Yes**

Active personal management? **Yes**

Active personal management contribution percentage: **100%**

Type of active personal management duties:

Hired management? **No**

Additional management? **No**

208 Business File Equivalent of CCC-902I Short Form (Continued)

C Example of Automated CCC-902

Following is an example of the automated CCC-902.

CCC-902 (3/28/2014)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		Date Submitted: 08/12/2014			Version Number: 1		
FARM OPERATING PLAN FOR PAYMENT ELIGIBILITY 2009 and Subsequent Program Years							Program Year 2014		
For "actively engaged in farming" and other payment eligibility and limitation determinations.									
<i>This form is to be completed by, or on behalf of, the individual or legal entity identified in Part A that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the individual or legal entity that receives program benefits directly using the tax identification number identified in Part A. This form also collects information about the members of legal entities. Payment eligibility is based upon the contribution level of certain inputs to a farming operation such as land, capital, equipment, labor, and management. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.</i>									
<b>Part A - General Farming Operation Information</b>									
Producer's Name IMA FARMER			Tax ID Number and ID Type (last 4 digits) XXXX S			Business Type Individual			
<b>Part B - Capital Information</b> Note: Do not include capital contributed by <i>members</i> of general partnerships or joint ventures. (applicable for all business types)									
Does the producer provide capital to this farming operation?							Yes		
What percent of capital is contributed by the producer to this farming operation from all sources?							100 %		
Indicate the source of all farming capital for the producer. (Check all that apply)									
<input checked="" type="checkbox"/> Non-borrowed capital			<input type="checkbox"/> Commercial loans/credit			<input type="checkbox"/> Other/Additional			
<input checked="" type="checkbox"/> FSA program payments			<input type="checkbox"/> Private Loans/credit						
<b>Part C - Land Information</b> (applicable for all business types)									
Does the producer contribute land to the farming operation?							Yes		
Does this farming operation own ANY land?							Yes		
State	Administrative County	Farm Serial Number	Tract Number	Farmland Acres	Cropland Acres	Farmland Acres Not Leased	Is any land leased to another producer?		
MS	Coahoma	1147	6686	320.0	304.2	320.0	No		
MS	Coahoma	4213	1270	59.0	49.2	59.0	No		
MS	Coahoma		1271	58.0		58.0	No		
MS	Coahoma		1272	78.0	64.0	78.0	No		
Does this farming operation lease land from another producer?							Yes		
State	Administrative County	Farm Serial Number	Tract Number	Name of Person Land is Leased From	Leased Acres	Type of Acres	Type of Lease	Crop Share	Interest in the Land is same as last year?
MS	Coahoma	3975	1376	FARMER TRUST	60.0	Cropland	Share	67%	Yes
MS	Coahoma	4212	1269	IMA FARMER SR	33.0	Cropland	Cash		Yes
Does this farming operation lease land to another producer?							No		
<b>Part D - Custom Services</b> (applicable for all business types)									
Will custom services, such as harvesting, spraying, fertilization, tillage, seeding, etc., be utilized for this farming operation?							No		
<b>Part E - Equipment Information</b> Note: Do not include equipment contributed by <i>members</i> of general partnerships or joint ventures. (applicable for all business types)									
Does the producer provide equipment to this farming operation?							Yes		
What percent of the equipment does the producer contribute to this farming operation?							100 %		
Does the producer own any equipment contributed to this farming operation?							Yes		
What percentage of owned equipment does the producer contribute to this farming operation?							100 %		
Additional Information for Owned Equipment									
Does the producer lease any equipment contributed to this farming operation from another producer?							No		
Is any of the equipment contributed to this farming operation leased to another producer?							No		
Is there any additional equipment contributed to the farming operation?							No		
<b>Part F - Labor Information</b> (applicable for all business types)									
Does the producer provide labor to this farming operation?							Yes		
Does the producer contribute active personal labor to the farming operation?							Yes		
What is the estimated percentage of active personal labor?							100 %		
Is any of the labor contributed to the farming operation hired?							No		
Is there any additional labor contributed to the farming operation?							No		
<b>Part G - Management Information</b> (applicable for all business types)									
Does the producer provide management to this farming operation?							Yes		
Does the producer contribute active personal management to the farming operation?							Yes		

208 Business File Equivalent of CCC-902I Short Form (Continued)

C Example of Automated CCC-902 (Continued)

CCC-902 (Page 2)		Date Submitted: 08/12/2014	Version Number: 1
What is the estimated percent of active personal management contributed to the farming operation?		100	%
Types of Management Duties Performed			
Make all planting, harvesting, marketing and financial decisions			
Is any of the management contributed to the farming operation hired?		No	
Is there any additional management duties/activities contributed to the farming operation?		No	
<b>Part H - Minor Information</b> (only applicable for individuals)			
Will the producer be 18 years of age by June 1 of the current program year?		Yes	
<b>Part I - Citizenship Information</b> (only applicable for individuals)			
Is the producer a United States citizen or an alien lawfully admitted into the United States?		Yes	
<b>Part J - Remarks</b>			
<b>Part K - Certification</b> (applicable for individuals and entities)			
I certify that all the information entered on this document and any supporting documentation is true and correct. I understand furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency Committees of any changes in this farming operation. By signing this form, I acknowledge that:			
<ul style="list-style-type: none"> <li>• all supporting documentation has been submitted as required</li> <li>• I have read and understand all definitions and requirements</li> <li>• all information contained on this form will be considered in effect continuously unless changes or revisions are submitted.</li> <li>• it is my responsibility to timely notify FSA in writing of any changes in the farming, ranching or forestry operation, or financial status that may affect these representations.</li> <li>• evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and that I will take all necessary actions to provide such materials to FSA if requested.</li> </ul>			
Signature of Producer (by)	Title/Relationship of the Individual Signing in Representative Capacity	Date (MM-DD-YYYY)	
<p><small>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Food Security Act of 1985 (Pub. L. 99-198 - as amended), the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to identify the farm operating plan data needed to determine eligibility for program benefits.</small></p> <p><small>The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</small></p> <p><small>This information collection is exempted from the Paperwork Reduction Act as specified in the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title 1, Subtitle F, Administration) and the Agricultural Act of 2014 (Pub. L. 113-79, Title 1, Subtitle F, Administration). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.</small></p>			
<p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish). If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a>, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider and employer.</small></p>			

## 208 Business File Equivalent of CCC-902I Short Form (Continued)

**D Comparison of Manual CCC-902I Short Form and Automated CCC-902**

This table compares the parts and features of the manual CCC-902I Short Form and the automated CCC-902.

<b>Item or Contribution</b>	<b>CCC-902I Short Form</b>	<b>Automated CCC-902</b>	<b>Explanation of Differences</b>
Name, Address, TIN	Part A	Part A	CCC-902I Short Form - manual entries.
Citizenship Status	Part B	Part I	
Minor Child Status	Part B	Part H	
Other Farming Interests	Part B		Automated CCC-902 - SCIMS records. CCC-902I Short Form - manual entries. Automated CCC-902 - this information will not be recorded in the collection process.
Land	Part C	Part C	CCC-902I Short Form - manual entries by farm number, cropland acres only. Automated CCC-902 - information sourced from farm records; entries by farm number, tract number, cropland and farmland acres; percentage of division not needed for share leases.
Capital	Part C	Part B	Both forms - manual entries. Automated CCC-902 - entry for percentage of total contribution.
Equipment	Part C	Part E	Both forms - manual entries. Automated CCC-902 - entry about leasing to another producer.
Labor	Part D	Part F	Both forms - entries for percentage contribution. Automated CCC-902 - no entry for hours provided.
Management	Part E	Part G	Both forms - entries for percentage contribution.
Custom Services	Part C	Part D	Both forms - same or similar entries.
Certification	Part F	Part K	Both forms - same entries and requirements.

209-219 (Reserved)

### Section 3 Joint Operations

#### 220 Joint Operations, General Partnerships, and Joint Ventures

##### A Definition of Joint Operation [7 CFR 1400.3]

Joint operation means a general partnership or joint venture, whose members are jointly and severally liable for the obligations of the organization, in which 2 or more individuals or entities pool their resources, such as land, labor, capital, management, and equipment, to conduct the farming operation for a common purpose, sharing the profits and losses.

##### B Definition of General Partnership

General partnership means:

- comprised of 2 or more persons or legal entities
- formed under State law
- subject to the terms of a formalized agreement
- identified with EIN.

In a general partnership:

- the members combine assets or the partnership may acquire property and assets
- single or multiple business enterprises are conducted by the partnership that are separate and apart from any business enterprises of the individual members
- all members are held jointly and severally liable for obligations incurred by the partnership
- each member shares in the profits and losses.

##### C Definition of Joint Venture

Joint venture means an association of persons or legal entities, where the association exists without an actual partnership or corporate designation.

In a joint venture:

- the members combine their property, money, effects, skills, and knowledge
- a single business enterprise is conducted
- each member intends to derive a share or benefit
- each member sustains a mutual responsibility.

**Note:** See paragraph 91 for examples of recognized joint operations that are considered a farming operation.

220 Joint Operations, General Partnerships, and Joint Ventures (Continued)

**D Comparison of General Partnerships and Joint Ventures**

This table provides a comparison of general partnerships and joint ventures.

<b>Inputs and Characteristics</b>	<b>General Partnership</b>	<b>Joint Venture</b>
Capital	Contributed by the partnership	Contributed by each member
Land		
Equipment		
Labor (both active personal and hired labor)	Contributed by the members or the partnership	
Management	Contributed by the members	
EIN	Yes	Optional
Separate Bank Account	Yes	No
Risk and Liability	Joint and several liability	Joint and several liability
Members Share in the Profits and Losses	Yes	Yes
Longevity	Long term	Short term
Written Agreement	Yes	Optional
Business Activities	Wide range of projects and purposes with a common goal of the members	Limited to a specific project or purpose and common goal of the members

**E Examples of Individual Operations and Joint Operations**

**Example 1:** Tom cash leases 400 acres and his brother, John, has all of the equipment used in the operation. Tom pays the cash lease, but they share in all other input costs. The crop is shared 60/40 percent. Both have a risk and share in the profits and losses in the farming operation.

The joint venture of Tom and John is recorded on CCC-902E.

**Example 2:** Jill cash leases 160 acres and plants the crop. Her brother, Jack, does all the spraying and harvesting in exchange for planting and trucking that Jill performs on land that Jack owns. Jack has no investment, interest, or risk in the growing crop and will **not** share in the profits or losses on the 160 acres that Jill leases.

Jack and Jill each have their own separate farming operations. Jack and Jill each complete CCC-902I.



**220 Joint Operations, General Partnerships, and Joint Ventures (Continued)****E Examples of Individual Operations and Joint Operations (Continued)**

**Example 3:** AB Corporation and CD Corporation cash rent 500 acres of land. AB Inc. pays the rent on 200 acres (40 percent of the land) and CD Inc. pays the rent on the balance (60 percent or 300 acres). Each corporation has separate financing and a separate line of equipment. Each corporation keeps track of the equipment use and expenses on this property. The crop production from the 500 acres is shared 60/40 percent. Both corporations are at risk and share in the profits and losses from the operation of this rented land.

The joint venture of these 2 corporations is recorded on CCC-902E.

**Example 4:** Larry and Daryl each have their own farming operations and occasionally perform field work for the other. Although they also own a tractor and cotton stripper together, each has their own accounts, equipment, and financing. Each is at risk, but crops and expenses are **not** shared on any land operated by either of them.

Larry and Daryl each have their own separate farming operations. Larry and Daryl each complete CCC-902I.

**Example 5:** Joe is the tenant on Dave's farm with each sharing in the crop production. Joe provides the equipment, performs all of the labor and field work necessary, and delivers Dave's share of the crop production to a local grain elevator. Dave's share of the crop is in exchange for the rent of the land. While Joe and Dave share in the crop production and each has a risk, their risk is **not** mutually shared.

Joe and Dave each have their own separate farming operations. Joe completes CCC-902I and Dave completes CCC-902I Short Form.

221 Eligibility Determinations

A Rule [7 CFR 1400.203]

Each member who shares in the income from a joint operation **must** be determined to be actively engaged in farming for the joint operation to be fully eligible for payment.

Members of a joint operation can be determined actively engaged in farming by meeting **all** of the requirements in this table.

Item	Requirement
1	<p>Contributions to the farming operation of <b>both</b> of the following are made:</p> <ul style="list-style-type: none"> <li>• the member <b>or</b> joint operation makes a significant contribution of capital, equipment, or land, or a combination thereof</li> <li>• each member makes a significant contribution of active personal labor or active personal management, or a combination thereof, that are:                             <ul style="list-style-type: none"> <li>• performed on a regular basis</li> <li>• identifiable and documentable</li> <li>• separate and distinct from contributions of any other member.</li> </ul> </li> </ul> <p><b>Note:</b> See paragraph 189 for exceptions for spouses.</p>
2	<p>The member must provide satisfactory evidence that the contributions of land, labor, management, equipment, or capital to the joint operation are commensurate with the member’s claimed share of the profits or losses of the joint operation.</p>
3	<p>The member’s contributions to the farming operation are at risk.</p>

**Note:** Landowners will be considered Actively Engaged in Farming on owned land according to paragraph 152 even though the above contributions are not being made. Cropland factors may apply.

B Separate and Distinct Contribution of Labor

If a member provides active personal labor to the joint operation’s farming operation that is performed on a regular basis, and that is identifiable and documentable, the member will be considered to have met the requirement of a separate and distinct contribution of labor to the joint operation’s farming operation.

## 221 Eligibility Determinations (Continued)

### C Contributions Not Commensurate

For a member of a joint operation whose contributions of inputs are **not** equal to his or her claimed share, if the contribution is:

- less than commensurate, that member is **not** considered actively engaged in farming and ineligible to receive any payment earned by the joint operation
- at least commensurate, that member may receive his or her share of the payment earned by the operation, but this share cannot be increased because of the ineligibility of another member.

## 222 Family Members in a Joint Operation

### A Definition of Family Member [7 CFR 1400.3]

Family member means a person to whom another member in the farming operation is related as lineal ancestor, lineal descendant, sibling, spouse, or otherwise by marriage.

The term family member must include the following:

- great grandparent
- grandparent
- parent
- child, including legally adopted children and stepchildren
- grandchild
- great grandchild
- sibling of the family members in the farming operation
- spouse of family members
- niece
- nephew
- first cousin.

**Notes:** COC can request additional documentation from family members in situations where they question if a person meets the definition of “family member”.

“Otherwise by marriage” means to be a lineal relative of a person’s spouse by affinity, commonly referred to as in-laws. An example is a joint operation comprised of a parent and the daughter’s husband (Son In-Law). The daughter is not required to be a member of the joint operation to recognize this as a joint operation comprised of family members.

222 Family Members in a Joint Operation (Continued)

**B Making Determinations**

In making determinations, COC must consider the makeup of the operation at the time the determinations are made.

**C Rule [7 CFR 1400.208]**

A person who is an adult family member must be considered actively engaged in farming for a joint operation composed of a majority of who are family members, if **all** of the requirements in this table are met.

Item	Requirement
1	The family member makes a significant contribution of active personal management or active personal labor, or combination thereof, to the farming operation.
2	The family member’s share of the profits or losses from the farming operation is commensurate with the family member’s contribution to the operation.
3	The family member’s contributions are at risk.

**D Example 1**

**Situation:** In 2018, Partnership AB consists of Person A and Person B, 2 unrelated person members. In 2019, Person C, an adult son of Person A, will join the partnership.

- Persons A and B will **each** provide a significant contribution of active personal labor and active personal management.
- Person C will provide a significant contribution of active personal labor.
- The partnership will provide all of the capital and equipment. The land is share-leased by the partnership from 5 different landowners.

**Determination:** A majority of the persons of the joint operation are family members. Based on the contributions of each member, Persons A, B, and C are **each** considered to be actively engaged in farming, if COC determines the contributions are at risk and claimed shares are commensurate with the contributions of each member.

Person C is actively engaged in farming because of the adult family member provision, since the joint operation consists of 3 persons, a majority of whom are persons who are family members.

**Note:** The determination must take into consideration the provisions restricting the number of managers in non-family joint operations according to paragraph 236.

## 222 Family Members in a Joint Operation (Continued)

**E Example 2**

**Situation:** Father A has been farming owned land and rented land for many years. Son B, an adult, is starting to farm with his father. Son B contributes a significant amount of active personal labor. Father A contributes all the farming operation's capital, equipment, and active personal management.

**Determination:** Father A and Son B are both considered to be actively engaged in farming, if COC determines the contributions are at risk and claimed shares are commensurate with the contributions of each member.

**F Example 3**

**Situation:** In 2018, Partnership CD consisted of Person C and Grandfather D. In 2019, Grandson E is brought into the farming operation.

- Person C contributes all the capital and a significant amount of active personal management.
- Grandfather D contributes the use of a significant amount of equipment, owned land, and active personal management.
- Grandson E will provide all the active personal labor.

**Determination:** Person C, Grandfather D, and Grandson E will each be considered to be actively engaged in farming, if COC determines the claimed shares are at risk and commensurate with each partner's contribution to the farming operation.

**Note:** The determination must take into consideration the provisions restricting the number of managers in non-family joint operations according to paragraph 236.

**G Example 4**

**Situation:** ABC Partnership is a family-held partnership consisting of Father A, Son B, and Daughter C. In 2019, Father A brings Son-in-law D into the farming operation.

- Daughter C, who is married to Son-in-law D, does **not** provide a significant amount of active personal labor or active personal management to the farming operation.
- Son B contributes a significant amount of capital, active personal labor, and active personal management.
- Father A originally contributed his owned equipment to the partnership and contributes some capital and a significant amount of active personal management.

## 222 Family Members in a Joint Operation (Continued)

### G Example 4 (Continued)

- Son-in-law D contributes a significant amount of both active personal labor and active personal management to the farming operation.

**Determination:** Father A, Son B, and Son-in-law D are considered to be actively engaged in farming, if COC determines the claimed shares are at risk and commensurate with each partner's contribution to the farming operation. Daughter C is considered to be actively engaged in farming, if the requirements of paragraph 189 apply. Son-in-law D was brought into the farming operation using the family member provision.

### H Example 5

**Situation:** Mother A, Daughter B, and Son C are partners in a family partnership. Son D, a minor child, becomes a partner in 2019.

- Mother A contributes a significant amount of both capital and active personal management.
- Daughter B contributes a significant amount of both capital and active personal management.
- Son C contributes a significant amount of equipment, active personal labor, and active personal management.
- Son D contributes a significant amount of active personal labor.

**Determination:** Mother A, Daughter B, and Son C are considered to be actively engaged in farming. However, Son D is **not** considered to be actively engaged in farming because of the adult family member provision because he is **not** an adult family member.

## 223 Joint Operation Case Examples

### A Example 1

**Situation:** Partnership AB farms 2,000 acres of land. The partnership owns the equipment and the partners provide at least 50 percent of their commensurate share of active personal labor and a significant amount of active personal management. Each partner's share of the profits or losses from the farming operation is commensurate with the partner's contribution to the operation and each partner's contributions are at risk.

**Determination:** Partners A and B are considered to be actively engaged in farming and each have a separate payment limitation.

**223 Joint Operation Case Examples (Continued)****B Example 2**

**Situation:** Partnership CD farms 2,000 acres of land. Each partner contributes a significant amount of both capital and active personal management to the farming operation. Labor is hired. Equipment and land are rented from third parties. Each partner's share of the profits or losses from the farming operation is commensurate with the partner's contribution to the operation and each partner's contributions are at risk.

**Determination:** Partners C and D are considered to be actively engaged in farming and each have a separate payment limitation.

**C Example 3**

**Situation:** Partnership EFG farms 2,000 acres of land. The contributions of capital, land, and equipment are acquired from loans from a banking institution. The bank requires that all partners sign to guarantee the loan. The partners provide a significant contribution of active personal labor and active personal management. Each partner's share of the profits or losses from the farming operation is commensurate with the partner's contributions to the operation and each partner's contributions are at risk. None of the partners have any other farming interests.

**Determination:** Partners E, F, and G are considered to be actively engaged in farming and each have a separate payment limitation. The fact that the contributions of capital, land, and equipment are guaranteed by the members does **not** prevent the contributions from being considered for a significant contribution. See subparagraphs 144 D, 144 E, and 145 D.

**D Example 4**

**Situation:** Partnership CD farms 2,000 acres of land. Partner C and D each contribute 1,000 acres of land which they cash rent to the Partnership CD. They do not own the land. Each partner contributes a significant amount of both capital and active personal management to the farming operation. They have the land custom farmed. Each partner's share of the profits or losses from the farming operation is commensurate with the partner's contribution to the operation and each partner's contributions are at risk.

**Determination:** Partners C and D are not considered actively engaged. Even though members C and D make significant contributions of both capital and management, Partnership CD cannot meet the cash rent tenant rule, because they do not provide equipment or active personal labor to the farming operation.

224 Completing CCC-902E's for Joint Operations

A Completing CCC-902E's

For detailed instructions on completing CCC-902E's, see subparagraph 311 A.

B Example of CCC-902E

Following is an example of CCC-902E completed for a joint operation.

This form is available electronically.		(See Page 5 for Privacy Act and Paperwork Reduction Act Statements)	
<b>CCC-902E</b> (09-28-20)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation  <b>FARM OPERATING PLAN FOR AN ENTITY</b>	1. County Front	3. Program Year  2020
		2. State Kansas	
For "actively engaged in farming" and other payment eligibility/limitation determinations.			
This form is to be completed for a legal entity, including a joint operation, that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the entity that receives program benefits directly using the tax identification number listed in Part A. This form also collects information about the members of such entity. A person who receives program benefits directly as an individual must complete a CCC-902I with respect to that person's operation. Payment eligibility is based upon the contribution of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the entity listed in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.			
<b>PART A - ENTITY INFORMATION</b>			
1. Farming Entity's Name and Address (Include Zip Code) Wildcat Land and Cattle 1200 Maverick Rd Blue Stem, Kansas XXXXX-XXXX		2. Tax Identification Number (If the taxpayer identification number is already on file with FSA, only the last 4 digits are required) XXXX	
		3. Date of Formation (MM-DD-YYYY) 01-10-2014	
<b>PART B - TYPE OF OPERATION (Select only one)</b>			
1. Select appropriate type of operation that defines the entity identified in Part A:			
<input checked="" type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Estate <input type="checkbox"/> Indian Tribe <input type="checkbox"/> Joint Venture <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Charitable/Tax-exempt Organization <input type="checkbox"/> Sole Proprietorship/DBA <input type="checkbox"/> Revocable/Living Trust <input type="checkbox"/> Public School <input type="checkbox"/> Corporation <input type="checkbox"/> Irrevocable Trust <input type="checkbox"/> City, County or State-owned Entity <input type="checkbox"/> Other: _____			
2. Trust documents for an Irrevocable Trust are required to be provided. Other supporting documentation (such as articles of incorporation, partnership agreement, evidence of heirship, and operational authorities of all shareholders, members and owners) may be required, except for public schools, States, State entities, cities, and counties, to verify the legal status of the entity and the authority of its shareholders, members or owners to the satisfaction of CCC.			
<b>PART C - MEMBER INFORMATION (Use CCC-902E Continuation if additional space is needed for any information in Part C)</b>			
1. <b>Members</b> - List all members/shareholders/beneficiaries/heirs/partners of the entity identified in Part A of this form:			
A. Name	B. Tax ID Number (Last 4 digits if already on file)	C. % Share	D. Position and Salary (if applicable)
E. Family Member Relationship* (if applicable)	F. Does this member have signature authority for the legal entity? (Yes or No)		
William Wildcat	XXXX	20	Partner \$ 0
Wanda Wildcat	XXXX	20	Partner \$ 0
Jack B Morgan	XXXX	20	Partner \$ 0
Wiley C Smith	XXXX	20	Partner \$ 0
William Wildcat Jr	XXXX	20	Partner \$ 0
			\$
			\$
* Family member means great grandparent, grandparent, parent, spouse, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1 <sup>st</sup> cousin, niece, nephew, aunt, uncle of family member in the farming operation (see definition on page 6).			
2. If the entity in Part A is an Estate or Trust, or if any member/shareholder is listed above is an Estate or Trust, list the Executor, Administrator, or Grantor:			
A. Name of Estate or Trust		B. Name of Executor/Administrator/Grantor	
3. Embedded Entities - If any member/shareholder of the entity identified in Part A is an entity, a CCC-901, Member's Information, must also be completed and submitted concurrent with this CCC-902E. Additionally, a CCC-902E must be completed and submitted for each embedded entity.			
<input type="checkbox"/> Check if CCC-901 is attached. <input type="checkbox"/> Check if CCC-902E is attached for an embedded entity.			



224 Completing CCC-902E's for Joint Operations (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): Wildcat Land and Cattle			Page 2 of 6					
4. Minor Members or Shareholders – For any Member or Shareholder who is a minor, provide the following: <input checked="" type="checkbox"/> N/A										
A. Minor's Name	B. Date of Birth	C. Parent's or Guardian's Name	D. Parent's or Guardian's Address	E. Parent or Guardian's SSN or Tax ID Number (Last 4 digits if already on file)						
F. Separate Status of Minors:										
(1) Is any minor a producer on a farm in which the parent or guardian has no interest? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(2) Does any minor maintain a separate household from the parent or guardian and personally carry out farming Activities with respect to the minor's farming operation, including maintaining separate accounting? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(3) Does any minor who is represented by a court-appointed guardian or conservator responsible for the minor a) live in a household other than the parents' household(s), and b) have a vested ownership in the farm? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(4) If any minor with an interest in this farming operation can answer "YES" to Items F(1) through F(3), list that minor's name:										
5A. Citizenship Status - Is each Member and Shareholder of the entity or joint operation identified in Part A, and any embedded entity identified in Part C a U.S. Citizen?										
<input checked="" type="checkbox"/> YES, all members/shareholders are US Citizens - Go to Part D										
<input type="checkbox"/> NO, one or more members/shareholders is not a US Citizen - Complete Item 5B										
5B. For each member or shareholder (direct or embedded) who is not a US Citizen, provide the following:										
(1) Name of Individual	(2) This individual has a valid Form I-551	FOR FSA USE ONLY								
		Form I-551 Presented to FSA		CCC Initials						
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO							
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO							
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO							
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO							
<b>PART D - SUMMARY OF CONTRIBUTIONS TO THE FARMING OPERATION</b>										
1. For the farming operation of the entity identified in Part A, what percentages of the overall inputs will be contributed directly by the Entity? Enter the following information for contributions to be made by the entity identified in Part A. <i>These percentages should reflect the capital provided directly by the legal entity; land and equipment owned and/or cash leased by the legal entity and used in the farming operation; labor hired by the legal entity; and management hired by the legal entity. (Provide detailed information about these contributions in Items A through E.)</i>										
A. Capital	B. Land	C. Equipment	D. Hired Labor	E. Hired Management						
100 %	100 %	100 %	30 %	0 %						
2. For the farming operation of the entity identified in Part A, what percentages of the following farm inputs will be contributed by the Members listed in PART C? Enter the following information for the contributions to be made by the members. <i>These percentages should reflect any capital originating from members' funds rather than from the entity; land and equipment owned or obtained by the member(s) and contributed to this farming operation without compensation to the member(s); labor and management hired by the members for the entity; and labor and management performed personally by the member(s) for the benefit of the farming operation identified in Part A. (Provide information about these contributions in Items B through H).</i>										
A. Member's Name	B. Capital (Current Year) %	C. Land %	D. % of Owned Land	E. Equipment %	F. % of Owned Equipment	G. Labor (%)			H. Management (%)	
						Hired	Active Personal	Check if 1000 Hours	Hired	Active Personal
William Wildcat								<input type="checkbox"/>		2.5
Wanda Wildcat								<input type="checkbox"/>		2.5
Jack B Morgan								<input type="checkbox"/>		2.5
Wiley C Smith						35		<input checked="" type="checkbox"/>		
William Wildcat Jr						35		<input checked="" type="checkbox"/>		2.5
								<input type="checkbox"/>		
For additional space, use and attach CCC-902E Continuation										

224 Completing CCC-902E's for Joint Operations (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Wildcat Land and Cattle</u>			Page 3 of 6			
<b>PART E - LAND</b>								
1. Land: Enter the following information for ALL land in the farming operation of the entity identified in Part A. <i>If land is cash leased from an individual or entity that has an interest in the crop or crop proceeds, include the rental rate in \$/acre in Column F; otherwise enter "cash."</i> <i>(For additional space, complete CCC-902 Continuation and attach to this form)</i>								
A. Farm No. and Location <i>(County and State)</i>	B. Land Leased or Contributed By	C. Check as applicable			D. Name of Person or Entity Whom Land is Leased to and/or from <i>(Includes names of landowners and landlords)</i>	E. Acres Owned or Leased	F. Rental Rate \$ per Acre/ % or Crop Share	G. Check here if same land interest was held last year
		Owned	Leased To	Leased From				
Farm No.: 65 Location: Front, KS	Wildcat Land and Cattle	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		1120.0		<input checked="" type="checkbox"/>
Farm No.: 690 Location: Dode, KS	Wildcat Land and Cattle	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		320.0		<input checked="" type="checkbox"/>
Farm No.: 2955 Location: Merton, KS	Wildcat Land and Cattle	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Rock Investment Co.	900	75%	<input checked="" type="checkbox"/>
Farm No.: 310 Location: Barlow, OK	Wildcat Land and Cattle	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Bertha M Evans	530.0	cash	<input checked="" type="checkbox"/>
Farm No.: 42 Location: Mesquite, TX	Wildcat Land and Cattle	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	J Bar Ranch (rangeland)	15,000	cash	<input checked="" type="checkbox"/>
<b>PART F - CAPITAL SOURCES and USES</b>								
1. Indicate the source(s) of all farming capital for the entity identified in Part A? <i>(Check ALL that apply.)</i>								
<input checked="" type="checkbox"/> Non-borrowed capital <input type="checkbox"/> Private loans/credit <input checked="" type="checkbox"/> FSA program payments from this crop year <input checked="" type="checkbox"/> Commercial loans/credit <input type="checkbox"/> Other: _____								
2. Will contributions of capital, farming equipment or land be acquired as a result of a loan or credit arrangement?								
<input checked="" type="checkbox"/> YES go to Item 3 <input type="checkbox"/> NO go to Part G								
3. Will such loan or credit be acquired from, guaranteed by, co-signed by, or secured by an individual, joint operation or entity that has an interest in the farming operation identified in Part A <i>(Such interest may be as a landowner or other tenant)?</i>								
<input type="checkbox"/> YES. Complete Items 3(A) through 3(E) <input checked="" type="checkbox"/> NO. Go to Part G								
A Type of Contribution	B Name of Loan or Credit Source	C Guarantor's Name		D Credit Source or Guarantor's Affiliation or Interest in the Farming Operation	E Percent of Total Capital			
					%			
					%			
					%			
<b>PART G - EQUIPMENT <i>(All percentages are based on annual rental values.)</i></b>								
1. <b>Owned Equipment:</b> Enter the percent of ALL equipment owned by the farming operation of the entity identified in Part A that will be used on the farms identified in Part C by the entity: _____ 100 %								
2. <b>Leased Equipment:</b> Enter the following information for ALL leased equipment to be used in the farming operation of the entity identified in Part A. If leased equipment is not used in this farm operation, enter 0%.								
A. Percent of Total Equipment Used in the Farming Operation	B. Name of Individual/Entity Equipment is Leased From	C. Type of Equipment Leased		D. Does the Individual/Entity the equipment is leased from have an interest in this farming operation?				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
3. <b>Lease Agreements:</b> If Item 2D is "YES," copies of lease agreement and documentation may be required for compliance purposes. GO TO Part H.								

224 Completing CCC-902E's for Joint Operations (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Wildcat Land and Cattle</u>		Page 4 of 6
<b>PART H - CUSTOM SERVICES</b>				
1. Will custom services be utilized by the entity identified in Part A on the farms listed in Part E? <input type="checkbox"/> NO. GO TO PART I <input checked="" type="checkbox"/> YES. Complete Items 1A through 1D.				
A. Type of Services	B. Farm Number(s)	C. Number of Acres	D. Name of Provider	
Custom Harvester - Wheat	2955 690	1220.0	Brewster and Son Harvesting	
<b>PART I - LABOR NOT PROVIDED BY MEMBERS/SHAREHOLDERS IDENTIFIED IN PART C</b>				
For the farms listed in Part E, enter the information for contributions of labor to the farming operation that will not be provided by the members or shareholders listed in Part C:				
Type			Amount	
1. <b>Other labor:</b> Enter the percentage or the number of hours to be donated by family members or others for which no payment will be issued or owed.			0 %	
			hrs	
2. <b>Hired labor:</b>				
A. Will any of the hired labor for the farming operation identified in Part A originate from the same source as the leased equipment in Part G? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
B. Will any of the hired labor for the farming operation identified in Part A be included in the custom services shown in Part H? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
<b>PART J - MANAGEMENT</b>				
Enter all managerial duties and/or activities required for the farming operation identified in Part A which will be provided personally by member(s) or shareholder(s) of the entity or joint operation; or by hired management.				
1. <b>Active personal management:</b>				
List each member or shareholder in column A; the specific managerial duties/activities that will be performed personally by each member or shareholder in column B. For nonfamily member operations only, complete items in column C to include the amount of time expended annually, either in hours or as a percentage of the total management hours required for the farming operation.				
A. Member/Shareholder	B. Duties/Activities	C. Time Expended Annually <i>(For nonfamily member operations only)</i>		
William Wildcat	Crops, equipment, irrigation, financing, cattle	hrs	%	
Wanda Wildcat	Bookkeeping, financing, insurance, FSA business	hrs	%	
Jack B Morgan	Feeder cattle, feed yard, marketing, hired labor	hrs	%	
Wiley C Smith	N/A	hrs	%	
William Wildcat Jr	Crops, equipment, irrigation, financing, pasture ca	hrs	%	
		hrs	%	
<b>For additional space, use and attach CCC-902E Continuation</b>				
2. <b>Hired management:</b> Enter the percentage of hired management contributed to the farming operation. Describe any hired management duties/activities that will be provided by someone other than a member or shareholder. <i>(Include management by an administrator or trustee who receives compensation for this service or activity):</i>			Amount	
			%	
3. <b>Other management:</b> Enter the percentage of other management contributed to the farming operation. Describe any non-compensated management that will be provided by someone other than a member or shareholder. <i>(Include management by an administrator or trustee who does not receive compensation for this activity):</i>			Amount	
			%	

224 Completing CCC-902E's for Joint Operations (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)	Name of Entity (as identified in Part A): <u>Wildcat Land and Cattle</u>	Page 5 of 6
<b>PART K - REMARKS</b>		
<p>Check all of the following that apply:</p> <p><input type="checkbox"/> CCC-902 Continuation attached for additional information for Part E - Land</p> <p><input type="checkbox"/> CCC-902E Continuation attached for additional information for the following Parts:</p> <p style="margin-left: 20px;"> <input type="checkbox"/> Part C – Member information  <input type="checkbox"/> Part D – Summary of Contributions  <input type="checkbox"/> Part F – Capital  <input type="checkbox"/> Part G – Equipment  <input type="checkbox"/> Part H – Custom Services         </p>		
<b>PART L - CERTIFICATION - (FOR JOINT VENTURES AND GENERAL PARTNERSHIPS, A SIGNATURE IS REQUIRED FOR EACH MEMBER)</b>		
<p>I certify that all the information entered on this document and any supporting documentation is true and correct. I understand that furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation. By signing this form, I acknowledge that:</p> <ul style="list-style-type: none"> <li>• all supporting documentation has been submitted as required</li> <li>• I have reviewed and understand all definitions and requirements on Page 6 of this form.</li> <li>• all information will be considered in effect continuously unless changes or revisions are submitted.</li> <li>• it is my responsibility to timely notify FSA in writing of any changes that may affect these representations, including, but not limited to: the composition of the entity identified in Part A; the farming, ranching or forestry operation of the entity identified in Part A; financial status of the entity identified in Part A.</li> <li>• evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and I will take all necessary actions to provide such materials to the applicable State or county committee if requested by FSA.</li> <li>• it is my responsibility to timely notify FSA in writing of any successors who acquire an interest in this farming operation as the result of the death of a member or shareholder.</li> </ul>		
1. Signature (By)	2. Title/Relationship of Individual Signing in the Representative Capacity	3. Date (MM-DD-YYYY)
	Partner	12-13-2019
	Partner	12-13-2019
	Partner	12-13-2019
	Partner	12-13-2019
	Partner	12-13-2019
<p><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify the farm operating plan data needed to determine a legal entity's eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</p> <p><b>Paperwork Reduction Act (PRA) Statement:</b> This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p> <p><i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i></p> <p><i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</i></p> <p><i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</i></p>		

## 224 Completing CCC-902E's for Joint Operations (Continued)

## B Example of CCC-902E (Continued)

CCC-902E (09-28-20)	<b>DEFINITIONS</b>	Page 6 of 6
The following definitions apply to Form CCC-902E.		
<ol style="list-style-type: none"> <li>1. <b>ACTIVELY ENGAGED IN FARMING</b> – means providing both: 1) significant contributions of capital, equipment, or land, or combination thereof to the farming operation; and 2) significant contributions of active personal labor or active personal management, or a combination thereof, to the farming operation as described. Further, for a person or legal entity to be considered actively engaged in farming for program payment purposes, the contributions of the person or legal entity must be at-risk and commensurate with the person's or legal entity's claimed share of the profit and loss of the farming operation. Failure to meet these requirements will result in the determination of ineligibility for payments under programs specified in 7 CFR Part 1400.</li> <li>2. <b>INTEREST IN A FARMING OPERATION</b> – a person or legal entity is considered to have an interest in a particular farming operation if the person or legal entity owns or rents land to or from that farming operation; has an interest in the agricultural commodities produced on the operation; or is a member of a joint operation that either owns or rents land to or from the farming operation, or has an interest in the agricultural commodities produced on that operation.</li> <li>3. <b>JOINT OPERATION</b> - is a general partnership, joint venture, or similar organization.</li> <li>4. <b>PERSON</b> – is a natural person (an individual) and does not include a legal entity.</li> <li>5. <b>ACTIVE PERSONAL LABOR</b> – a person is considered to be providing active personal labor with respect to a farming operation if that person is directly and personally providing physical activities necessary to conduct the farming operation, including land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities in the farming operation. Other qualifying physical activities include establishing and maintaining conserving covers and those physical activities necessary for livestock production for the farming operation.</li> <li>6. <b>ACTIVE PERSONAL MANAGEMENT</b> – a person is considered to be providing active personal management with respect to a farming operation if that person is directly and personally providing the general supervision and direction of activities and labor involved in the farming operation; or providing services (whether performed on-site or off-site) reasonably related and necessary to the farming operation. The management activities must be critical to the profitability of the farming operation and performed under one or more of the following categories: 1) <u>Capital</u> which includes arranging financing and managing capital; acquiring equipment; acquiring land and negotiating leases; managing insurance and participating in USDA programs; 2) <u>Labor</u> which includes hiring and managing of hired labor; 3) <u>Agronomics and marketing</u> which includes selecting crops and making planting decisions; acquiring and purchasing of crop inputs; managing crops and making harvesting decisions; pricing and marketing of crop production.</li> <li>7. <b>CAPITAL</b> – with respect to a farming operation is the funding provided by a person or legal entity to the farming operation in order for such operation to conduct farming activities. To be considered a countable contribution for a person or legal entity, the capital must have been derived from a fund or account separate and distinct from that of any other person or entity involved in such operation. Countable capital does not include the value of any labor or management which is contributed to the farming operation. A capital contribution may be a direct out-of-pocket input of a specified sum or an amount borrowed by the person or entity. Capital does not include advance program payments.</li> <li>8. <b>CONTRIBUTION</b> – with respect to a farming operation, is providing land, capital or equipment assets, and providing active personal labor, or active personal management to the farming operation in exchange for, or with the expectation of, deriving benefits based solely on the success of the farming operation. Contributions must be "significant".</li> <li>9. <b>CUSTOM SERVICES</b> – with respect to a farming operation is the hiring of a contractor or vendor that is in the business of providing such specialized services to perform services for the farming operation in exchange for the payment of a fee for such services performed.</li> <li>10. <b>ENTITY</b> - is a corporation, joint stock company, limited liability company, association, limited partnership, limited liability partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any such organization participating in the farming operation as a partner in a general partnership, participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.</li> <li>11. <b>EQUIPMENT</b> – with respect to a farming operation is the machinery and implements needed by the farming operation to conduct activities of the farming operation including machinery and implements involved in land preparation, planting, cultivating, harvesting or marketing of the crops produced by the farming operation. Equipment also includes machinery and implements needed to establish and maintain conserving covers.</li> <li>12. <b>FAMILY MEMBER</b> – a person is considered to be a family member of another person in the farming operation if that person is related to the other person as a lineal ancestor, lineal descendant, sibling, 1st cousin, niece, nephew, spouse, or otherwise by marriage. This relationship includes great grandparent, grandparent, parent, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1st cousin, niece, nephew, aunt, uncle or spouse of family member in the farming operation.</li> <li>13. <b>FARMING ENTITY</b> – is the entity, including a combination of entities, conducting a farming operation at one or more locations.</li> <li>14. <b>FARMING OPERATION</b> - is a business enterprise engaged in the production of agricultural products which is operated by a person or formal or informal entity which is eligible to receive payments, directly or indirectly.</li> <li>15. <b>LAND</b> – with a respect to a contribution to a farming operation is agricultural land consisting of cropland, pastureland, wetland, or rangeland which meets the specific requirements of the applicable program for which payments or benefits are sought.</li> <li>16. <b>SUPPORTING DOCUMENTATION</b> – is any information that supports the relevant representations made such as, but not limited to: articles of incorporation; corporate meeting minutes; stock certificates; organizational papers; trust agreement; last will or testament of a deceased individual; affidavit of heirship approved by Office of General Counsel; partnership agreement; property lease agreement; purchase agreement; land deed; lending security agreement; and financial statement.</li> <li>17. All other terms utilized in this form shall be defined pursuant to 7 CFR Part 1400.</li> </ol>		

224 Completing CCC-902E's for Joint Operations (Continued)

C Example of CCC-902 Continuation

Following is an example of CCC-902 Continuation.

This form is available electronically.

<p>CCC-902 Continuation U.S. DEPARTMENT OF AGRICULTURE (04-16-19) Commodity Credit Corporation</p> <p style="text-align: center;"><b>CONTINUATION SHEET FOR LEASED OR OWNED LAND</b></p> <p style="text-align: center;">ATTACH TO FORM CCC-902I <input type="checkbox"/> or CCC902E <input checked="" type="checkbox"/></p>	<p>1. COUNTY Jones</p> <p>2. STATE Texas</p> <p>3. PROGRAM YEAR 2020</p> <p>4. PARTICIPANT'S NAME Southland Partners</p>							
<p><b>NOTE:</b> <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting this information identified on this form is 7 CFR Part 1400, the Commodity Credit Charter Act (15 USC 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify the farm operating plan data needed to determine a person's or legal entity's eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the Systems of Records for USDA/FSA-2, Farms Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</i></p> <p><b>Paperwork Reduction Act (PRA) Statement:</b> <i>This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</i></p>								
PART C - LAND								
<p>Enter the following information for ALL land you own and/or lease. If ALL land in this farming operation is owned and operated by you, enter the farm number. County and State, check "Owned," and enter the cropland acres.</p>								
1. FARM NO.	2. COUNTY(IES)	3. CHECK ONE			4. NAME OF PERSON OR LEGAL ENTITY WHOM LAND IS LEASED TO AND/OR FROM	5. ACRES	6. RENTAL RATE(S) \$ PER ACRE OR % CROP SHARE	7. CHECK IF YOU HAD THE SAME LAND INTEREST LAST YEAR
		OWNED	LEASED TO	LEASED FROM				
64	Jones, TX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	JLB Enterprises	160	cash	<input checked="" type="checkbox"/>
112	Jones, TX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	L & J LLC	640	cash	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail, U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax, (202) 690-7442; or (3) email, [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

225 **Completing CCC-902E Continuations**

**A Completing CCC-902E Continuations for 2020 and Subsequent Years**

Complete CCC-902E Continuation according to the following table.

Attach CCC-902E Continuation pages, as needed, to CCC-902E that was completed for the farming operation. Submit the completed CCC-902E's and CCC-902E Continuation pages in hard copy or FAX to the appropriate USDA servicing office.

**Note:** CCC-902E Continuation pages completed and attached **will be under the same signatures and certifications** contained in CCC-902E, Part L.

Item	Instruction	
1 and 2	Enter name of the recording county and State for this farming operation. The recording county most often is the administrative county for the entity's or joint operation's farming operation.	
3	Enter crop year for which this certification applies.	
	In the space provided on the top of <b>each</b> page, enter the following: <ul style="list-style-type: none"> <li>• name of the legal entity filing CCC-902E</li> <li>• number of additional CCC-902E Continuation pages completed.</li> </ul>	
<b>Part C</b>		
1	Enter the following for each member of the entity or joint operation.	
A	Enter member's name.	
B	Enter last 4 digits of member's TIN.  <b>Note:</b> If complete TIN is already on file, only last 4 digits are <b>required</b> .	
C	Enter percent share of or interest in the operation.	
D	Enter member's position in and salary or bonus from the operation.	
E	Enter member's family relationship to the first member listed in item 1A.	
	<b>IF entity is...</b>	<b>THEN show...</b>
	an estate	member's relationship to the deceased individual.
a trust	beneficiary's relationship to the grantor.	
F	Select either of the following, as applicable: <ul style="list-style-type: none"> <li>• <b>"Yes"</b>, if the member has signature authority for entity in CCC-902E, Part A</li> <li>• <b>"No"</b>, if the member does <b>not</b> have signature authority for entity in CCC-902E, Part A.</li> </ul> <b>Note:</b> For joint operations, joint ventures, and general partnerships, <b>each member must initial the response in Column F</b> .	

## 225 Completing CCC-902E Continuations (Continued)

## A Completing CCC-902E Continuations for 2020 and Subsequent Years (Continued)

Item	Instruction
2A and 2B	If entity in Part A is an estate or trust, or if any member in Part C is an estate or trust, enter the name of estate or trust in item 2A and enter the name of the executors, administrators, or grantors in item 2B. If there is more than 1 executor, administrator, or grantor, provide the additional information in the space provided or attach additional sheets.
3	If any member in item 1A is an entity or joint operation, complete CCC-901 and attach a copy.
4	If none of the members listed in Part C, item 1, is a minor, check "N/A" (not applicable, then <b>go to</b> item 6.
A	Enter minor's name.
B	Enter minor's date of birth.
C	Enter name of minor's parent or legal guardian.
D	Enter address of the parent or legal guardian.
E	Enter the TIN of the parent or legal guardian.  <b>Note:</b> If the complete TIN is already on file at FSA, only the last 4 digits are required.
F(1) – F(4)	<p>(1) Check "YES" if any minor listed in item 4A is a producer on a farm and the parent or guardian has no interest. Check the box "NO" if the minor is a producer on a farm and the parent or guardian has an interest in the farming operation.</p> <p>(2) Check the box for "YES" if the minor listed in item 4A maintains a separate household from the parent or guardian and personally carries out all farming activities with respect to the minor's own farming operation, including maintaining separate accounting. Check the box "NO" if the minor does not maintain a separate household from the parent or guardian and does not personally carry out all farming activities with respect to the minor's own farming operation, including maintaining separate accounting.</p> <p>(3) Check the box for "YES" if the minor listed in item 4A, who is represented by a court-appointed guardian or conservator, live in a household other than the parents' household(s), and have a vested ownership in the farm. Check "NO" if the minor, who is represented by a court-appointed guardian or conservator, does not live in a separate household other than the parents' household(s), and does not have a vested ownership in the farm.</p> <p>(4) If "YES" is checked for all items F1 through F3, write the name of the minor in the space provided in item F4 that has an ownership interest in the farming operation of the entity or joint operation identified in Part C.</p>



225 Completing CCC-902E Continuations (Continued)

A Completing CCC-902E Continuations for 2020 and Subsequent Years (Continued)

Item	Instruction
5A	<p>Check “YES” if all individual members and shareholders in embedded entities and joint operations listed in Part C are U.S. citizens. <b>Go to</b> Part D.</p> <p>Check “NO” if any individual members and shareholders in embedded entities and joint operations listed in Part C is <b>not</b> a U.S. citizen. <b>Go to</b> item 6A.</p>
5B(1) 5B(2)	<p>For each member or shareholder who is an alien lawfully admitted into the U.S., list that member’s name and indicate whether this person possesses a valid Resident Alien Card (Form I551).</p> <p>Check “NO” for any non-U.S. citizen who does not possess Form I-551.</p>
<b>Part D</b>	
1A through 1H	<p>If any member provides capital, land, or equipment to the farming operation in CCC-902E, Part A, enter the member’s name and the percentage contributed.</p> <p>Use items 1D and 1F to indicate if a member contributes owned land or equipment to the entity’s or joint operation’s farming operation.</p> <p>If any member provides hired labor, labor they do themselves, hired management, or management they do themselves, enter the member’s name and percentage of each contribution in items 1G and 1H.</p> <p>Select the box if a member provides 1,000 or more hours of active personal labor to the farming operation in CCC-902E, Part A.</p>
<b>Part F</b>	
1	<p>If loans or credit used to finance the farming operation in CCC-902E, Part A, or to acquire/purchase land or equipment, and this financing was acquired from, guaranteed by, co-signed by, or secured by an individual, joint operation, or entity with an interest in the farming operation in CCC-902E, Part A, complete items A through E.</p>

## 225 Completing CCC-902E Continuations (Continued)

## A Completing CCC-902E Continuations for 2020 and Subsequent Years (Continued)

Item	Instruction	
<b>Part G</b>		
1A through 1C	Enter information for <b>all</b> equipment used in the farming operation that is leased by the joint operation or entity in CCC-902E, Part A. For each type of equipment leased, enter the following: <ul style="list-style-type: none"> <li>• in item 1A, percent of total equipment used in the farming operation</li> <li>• in item 1B, name of the party or entity from whom equipment is leased</li> <li>• in item 1C, type of equipment leased.</li> </ul>	
1D	If joint operation or entity in CCC-902E, Part A leased equipment, indicate whether the equipment was leased from an individual or entity who has an interest in the farming operation of the joint operation or entity in CCC-902E, Part A.	
	<b>IF the equipment was...</b>	<b>THEN select...</b>
	leased from an individual or entity who has an interest in the farming operation of the joint operation or entity in CCC-902E, Part A	“ <b>Yes</b> ” and go to item 2.
	<b>not</b> leased from an individual or entity who has an interest in the farming operation of the joint operation or entity in CCC-902E, Part A	“ <b>No</b> ” and go to Part H.
2	If item 1D is “ <b>Yes</b> ”, copies of lease agreements may be required for compliance purposes.	
<b>Part H</b>		
1A	Enter type of custom service, including but <b>not</b> limited to, tillage, planting, cultivating, chemical application, insect/pest scouting, etc.	
1B	Enter farm numbers the service will be applied.	
1C	Enter total number of acres for which custom services will be used.	
1D	Enter name of the custom farming service provider.	
<b>Part J</b>		
1	In column A list each member or shareholder of the farming operation who is contributing active personal management.  In column B, enter for each person in column A, the type of management duties provided to the farming operation.	
<b>Part K</b>	Enter any remarks.	
<b>Part L</b> Certification.		
1	An individual member, or authorized representative must sign the certification.	
2	If an authorized representative for the entity signs this document, use this field to show the individual’s representative capacity. (For example, “agent” or “attorney-in-fact”).	
3	Enter the date the form was signed.	

225 Completing CCC-902E Continuations (Continued)

B Example of CCC-902E Continuation

Following is an example of CCC-902E Continuation.

**This form is available electronically.** (See Page 5 for Privacy Act Statement.)

CCC-902E Continuation (09-28-20)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation	1. County Rio Lobo  2. State New Mexico	3. Program Year  2020
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**CONTINUATION SHEET FOR FARM OPERATING PLAN FOR AN ENTITY**

For "actively engaged in farming" and other payment eligibility/limitation determinations.

*This form is to be completed for an entity, including a joint operation, that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the entity that receives program benefits directly using the tax identification number listed in Part A. This form also collects information about the members of such entity. A person who receives program benefits directly as an individual must complete a CCC-902I with respect to that person's operation. Payment eligibility is based upon the contribution of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the entity listed in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.*

This form provides additional space for specific items on the CCC-902E.

**Name of Legal Entity filing CCC-902E:** Parker Family Organics, Inc.

\_\_\_\_ Number of additional CCC-902E Continuations used to record all information for this entity

**PART C - MEMBER/SHAREHOLDER INFORMATION (Continued from CCC-902E)**

1. **Members** - List all Members/Shareholders of the entity identified in Part A of this form.

A. Name	B. Tax ID Number (Last 4 digits if already on file)	C. % Share	D. Position and Salary (If applicable)	E. Family Member* Relationship (if applicable)	F. Does this member have signature authority for the legal entity? (Yes or No)
Justin Parker	XXXX	5	\$	Sibling	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Jason Parker	XXXX	5	\$	Sibling	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Jennifer Parker	XXXX	5	\$	Sibling	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Jackson Parker	XXXX	5	\$	Sibling	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO

**\* Family member means great grandparent, grandparent, parent, spouse, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1<sup>st</sup> cousin, niece, nephew, aunt, uncle of family member in the farming operation (see definition on page 6).**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410, (2) fax: (202) 690-7442, or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

225 Completing CCC-902E Continuations (Continued)

B Example of CCC-902E Continuation (Continued)

<b>CCC-902E Continuation</b> (09-28-20)		Page 2 of 5		
Name of Legal Entity filing CCC-902E: <u>Parker Family Organics, Inc.</u>				
____ Number of additional CCC-902E Continuations used to record all information for this entity				
<b>PART C - MEMBER/SHAREHOLDER INFORMATION (Continued from CCC-902E)</b>				
2. If any member listed above is an Estate or Trust, list the Executor, Administrator or Grantor.				
A. Name of Estate or Trust		B. Name of Executor/Administrator/Grantor(s)		
3. Embedded Entities - if any member or shareholder listed in item 1 is a legal entity, a CCC-901, Member's Information, must also be completed and submitted concurrent with this CCC-902E. Additionally, CCC-902E must be completed and submitted for each embedded entity.				
<input type="checkbox"/> Check if CCC-901 is attached. <input type="checkbox"/> Check if CCC-902Es for embedded entities are attached.				
4. Minor Members or Interest Holders – For any Member or Interest Holder who is minor, provide the following: <input checked="" type="checkbox"/> N/A				
A. Minor's Name	B. Date of Birth	C. Parent or Guardian's Name	D. Parent or Guardian's Address	E. Parent or Guardian's SSN or Tax ID Number <i>(Last 4 digits if already on file)</i>
F. Separate Status of Minors:				<input type="checkbox"/> YES <input type="checkbox"/> NO
(1) Is any minor a producer on a farm in which the parent or guardian has no interest?				<input type="checkbox"/> YES <input type="checkbox"/> NO
(2) Does any minor maintain a separate household from the parent or guardian and personally carry out farming activities with respect to the minor's farming operation, including maintaining separate accounting?				<input type="checkbox"/> YES <input type="checkbox"/> NO
(3) Does any minor who is represented by a court-appointed guardian or conservator responsible for the minor, a) live in a household other than the parents' household(s), and b) have a vested ownership interest in the farm?				<input type="checkbox"/> YES <input type="checkbox"/> NO
(4) If any minor with interest in this farming operation can answer "YES" to Items F(1) through F(3), list that minor's name:				
5A. Citizenship Status – Is each member and interest holder of the entity identified in Part A, and any embedded entity identified in Item 1, a US Citizen?				
<input checked="" type="checkbox"/> YES, all members/interest holders are US Citizens <input type="checkbox"/> NO, one or more members is not a US Citizen – Complete Item 5B				
5B. For each member or interest holder (direct or embedded) who is not a US Citizen provide the following:				
1. Name of Individual	2. This individual has a valid Form I-551	FOR FSA USE ONLY		
		Form I-551 Presented to FSA	CCC Initials	
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO		
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO		
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO		
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO		

225 Completing CCC-902E Continuations (Continued)

B Example of CCC-902E Continuation (Continued)

<b>CCC-902E Continuation</b> (09-28-20)										Page 3 of 5	
Name of Legal Entity filing CCC-902E: <u>Parker Family Organics, Inc.</u>											
_____ Number of additional CCC-902E Continuations used to record all information for this entity											
<b>PART D – SUMMARY OF MEMBER/SHAREHOLDER CONTRIBUTIONS TO THE FARMING OPERATION</b> (Continued from CCC-902E)											
1. What contributions to the farming operation identified in Part A will be made by the Members listed in PART I? Enter the following information for the contributions to be made by the members/shareholders.											
A. Member's Name	B. Capital (Current Year) %	C. Land %	D. % of Owned Land	E. Equipment %	F. % of Owned Equipment	G. Labor (%)			H. Management (%)		
						Hired	Active Personal	Check if 1000 Hours	Hired	Active Personal	Check if 500 Hours
Justin Parker							5	<input type="checkbox"/>		5	<input type="checkbox"/>
Jason Parker							5	<input type="checkbox"/>		5	<input type="checkbox"/>
Jennifer Parker							5	<input type="checkbox"/>		5	<input type="checkbox"/>
Jackson Parker							5	<input type="checkbox"/>		5	<input type="checkbox"/>
								<input type="checkbox"/>			<input type="checkbox"/>
								<input type="checkbox"/>			<input type="checkbox"/>
								<input type="checkbox"/>			<input type="checkbox"/>
								<input type="checkbox"/>			<input type="checkbox"/>
<b>PART F - CAPITAL SOURCES and USES</b> (Continued from CCC-902E)											
A. Type of Capital Contribution	B. Name of Loan or Credit Source		C. Guarantor's Name		D. Credit Source or Guarantor's Affiliation or Interest in the Farming Operation			E. % of Total Capital			
								%			
								%			
								%			
								%			
								%			
								%			
<b>PART G - LEASED EQUIPMENT</b> (All percentages are based on annual rental values.) (Continued from CCC-902E)											
1. Leased Equipment: Enter the following information for ALL leased equipment to be used by the farming operation identified in Part A:											
A. Percent of Total Equipment Used in the Farming Operation	B. Name of Individual/Entity Equipment is Leased From			C. Type of Equipment Leased			D. Does Individual/Entity the equipment is leased from have an interest in this farming operation?				
%							<input type="checkbox"/> Yes	<input type="checkbox"/> No			
%							<input type="checkbox"/> Yes	<input type="checkbox"/> No			
%							<input type="checkbox"/> Yes	<input type="checkbox"/> No			
%							<input type="checkbox"/> Yes	<input type="checkbox"/> No			
%							<input type="checkbox"/> Yes	<input type="checkbox"/> No			
%							<input type="checkbox"/> Yes	<input type="checkbox"/> No			
2. Lease Agreements: If Item 1D is "YES" acceptable documentation for this relationship may be required for compliance purposes.											

225 Completing CCC-902E Continuations (Continued)

B Example of CCC-902E Continuation (Continued)

<b>CCC-902E Continuation</b> (09-28-20)			Page 4 of 5
Name of Legal Entity filing CCC-902E: <u>Parker Family Organics, Inc.</u>			
____ Number of additional CCC-902E Continuations used to record all information for this entity			
<b>PART H - CUSTOM SERVICES (Continued from CCC-902E)</b>			
1. Custom Services to be used in the farming operation.			
A. Type of Service(s)	B. Farm Number(s)	C. Number of Acres	D. Name of Provider
Insect Scouting	580,1651,2927	80	Varmint Exterminators, Inc.
Weed Removal	429,579,1458	290	Weed Pullers, Inc.
<b>PART J - MANAGEMENT (Continued from CCC-902E)</b>			
Enter the managerial duties required for this farming operation which are provided personally by member(s) or shareholders of the entity or joint operation identified in Part A.			
1. <b>Active personal management:</b> List each member or shareholder in column A; the specific managerial duties/activities that will be performed personally by each member or shareholder in column B. For nonfamily member operations only, complete items in column C to include the amount of time expended annually, either in hours or as a percentage of the total management hours required for the farming operation.			
A. Member/Shareholder	B. Duties/Activities	C. Time Expended Annually <i>(For nonfamily member operations only)</i>	
Justin Parker	Marketing and Promotion	hrs	%
Jason Parker	Direct Sales to Public	hrs	%
Jennifer Parker	Direct Sales to Public	hrs	%
Jackson Parker	Storage and Transportation	hrs	%
		hrs	%
		hrs	%
		hrs	%
		hrs	%
		hrs	%
		hrs	%
		hrs	%
<b>PART K - REMARKS</b>			

225 Completing CCC-902E Continuations (Continued)

B Example of CCC-902E Continuation (Continued)

**CCC-902E Continuation (09-28-20)** Page 5 of 5

**PART L - CERTIFICATION - (FOR JOINT VENTURES AND GENERAL PARTNERSHIPS, A SIGNATURE IS REQUIRED FOR EACH MEMBER)**

I certify that all the information entered on this document and any supporting documentation is true and correct. I understand that furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation. By signing this form I acknowledge that:

- all supporting documentation has been submitted as required
- I have reviewed and understand all definitions and requirements on Page 6 of this form.
- all information will be considered in effect continuously unless changes or revisions are submitted.
- it is my responsibility to timely notify FSA in writing of any changes that may affect these representations, including, but not limited to: the composition of the entity identified in Part A; the farming, ranching or forestry operation of the entity identified in Part A; financial status of the entity identified in Part A.
- evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and I will take all necessary actions to provide such materials to the applicable State or county committee if requested by FSA.
- it is my responsibility to timely notify FSA in writing of any successors who acquire an interest in this farming operation as the result of the death of a member or shareholder.

1. Signature (By)	2. Title/Relationship of Individual Signing in the Representative Capacity	3. Date (MM-DD-YYYY)
	President, Parker Family Organics, Inc.	12-13-2019

**NOTE:** The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify the farm operating plan data needed to determine a legal entity's eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.

**Paperwork Reduction Act (PRA) Statement:** This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.  
**RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

226-235 (Reserved)





**Section 4 Joint Operations of Non-Family Members****236 General Partnerships, Joint Operations, and Joint Ventures of Non-Family Members  
[7 CFR 1400.600]****A Applicability**

This section does not apply and does not change the requirements for actively engaged in farming and payment eligibility for the following:

- spouses
- landowner using the landowner exemption
- farming operations comprised of all family members as defined in subparagraph 222 A.

**B Requirements Effective for 2016 and Subsequent Years**

The new provisions are applicable for the:

- 2016 crop or program year to all non-family joint operations that plant any crop on or after February 1, 2016, with an intended use in 2016
- 2017 crop or program year to all non-family joint operations that have already planted any crop, or have reported prevented planted 2016 crop acreage before February 1, 2016, with an intended use in 2016
- 2017 and subsequent crop or program years to all non-family joint operations with either spring or fall planted crops.

Requirements of this section **are applicable** when a farming operation represents for 2016 and subsequent years, all of the following:

- general partnership, joint operation, or joint venture
- all members do not meet the definition of “family member” in subparagraph 222 A
- more than 1 member is seeking an actively engaged in farming determination with only a significant contribution of active personal management, or a significant contribution of the combination of active personal labor and active personal management.

**236 General Partnerships, Joint Operations, and Joint Ventures of Non-Family Members  
[7 CFR 1400.600] (Continued)**

**B Requirements Effective for 2016 and Subsequent Years (Continued)**

Requirements of this section **do not apply** if a farming operation for 2016 and subsequent program years represents either of the following:

- all persons who are partners, stockholders, or persons with an ownership interest in the farming operation, or of a legal entity that is a member of the farming operation, meet the definition of “family member” in subparagraph 222 A

**Example:** A joint operation’s member are all LLC’s and/or corporations, but the interest holders of all the legal entities meet the definition of “family member”. This is considered a joint operation comprised of family members for the application of these new provisions.

- only 1 person with an interest in the farming operation is seeking an actively engaged in farming determination with only a significant contribution of active personal management, or a significant contribution of the combination of active personal labor and active personal management.

**Note:** All other requisite and at-risk contributions of land, capital, equipment, and labor are collectively made by the general partnership, joint operation, or joint venture, or by its members.

**237 Definitions [7 CFR 1400.601]**

**A Terms and Documents**

All terms defined and documents issued according to this handbook are applicable to this section, except as otherwise provided.

**B Additional Definitions**

Active personal management means:

- personally providing and participating in management activities considered critical to the profitability of the farming operation

237 Definitions [7 CFR 1400.601] (Continued)

**B Additional Definitions (Continued)**

- duties performed under 1 or more of the following categories.

<b>Capital</b>	<b>Labor</b>	<b>Agronomics</b>
Arranging financing and managing capital.	Hiring or all labor services.	Selecting crops.
Acquiring equipment.	Arranging custom services.	Planting decisions.
Acquiring land and negotiation of leases.	Management of all labor resources used in the operation.	Acquiring and purchasing of crop inputs.
Managing insurance.		Managing growing crops.
Managing the operation's participation in USDA programs.		Making harvest decisions.
		Pricing and marketing of crop production.

Farm manager means a person with an ownership interest in the farming operation who uses a significant contribution of active personal management, or a significant contribution of the combination of active personal labor and active personal management to meet the requirements to be considered actively engaged in farming.

Significant contribution of active personal management means the active personal management performed by a person, with a direct or indirect ownership interest in the farming operation that is:

- on a regular, continuous, and substantial basis for the farming operation
- meets at least 1 of the following to be considered significant:
  - equals at least 25 percent of the total management hours required for the farming operation on an annual basis
  - equals at least 500 hours of management activities annually for the farming operation.

237 Definitions [7 CFR 1400.601] (Continued)

**B Additional Definitions (Continued)**

Significant contribution of the combination of active personal labor and active personal management means a contribution of active personal labor and active personal management by a person with direct or indirect interest in the farming operation that:

- is critical to the profitability of the farming operation
- is performed on a regular, continuous, and substantial basis
- when added together, meets the following required number of hours.

<b>Combination of Active Personal Labor and Active Personal Management – Requirement for a Significant Contribution (in Hours) (Annually)</b>		
<b>Management Contribution in Hours</b>	<b>Labor Contribution in Hours</b>	<b>Meets the Minimum Threshold for Significant Contribution, in Hours</b>
475	75	550
450	100	550
425	225	650
400	250	650
375	375	750
350	400	750
325	425	750
300	550	850
275	575	850
250	600	850
225	625	850
200	650	850
175	675	850
150	800	950
125	825	950
100	850	950
75	875	950
50	900	950
25	925	950

There are 5 total hourly thresholds for a significant contribution of the combination of active personal labor and active personal management, based on a prorated combination of each type of contribution.

**Note:** A person or individual making a significant contribution of combined active personal labor and active personal management can only qualify themselves for actively engaged rules. See paragraph 238.

**237 Definitions [7 CFR 1400.601] (Continued)****B Additional Definitions (Continued)**

**Example:** A combined contribution where the majority of the contribution is management is measured against the total 550-hour threshold, which is weighted toward the 500-hour standard for management; whereas a combined contribution, where the majority of the contribution is labor, is measured against a 950-hour threshold, which is weighted toward the 1,000 hours required for a significant contribution of labor.

This standard will apply to each person that a farming operation requests to qualify as actively engaged in farming by making a significant contribution of the combination of labor and management, rather than only a significant contribution of management.

Under these weighted thresholds, 2 contributions of the same total contributed number of hours could have a different result, as it will depend upon how many hours of total contribution are management and how many hours are labor.

**Example:** A total combined contribution of 650 hours consisting of 250 hours of management and 400 hours of labor would not qualify as a significant contribution, whereas a total combined contribution of 650 hours consisting of 400 hours management and 250 hours of labor would qualify as a significant contribution.

**238 Restrictions on Active Personal Management Contributions [7 CFR 1400.602]****A One Member**

A person's contribution of active personal management, or the combination of active personal labor and active personal management, to a farming operation will qualify only 1 member of the farming operation as actively engaged in farming and with a separate payment limitation as defined in this section.

**B Other Members**

Other persons in the same farming operation are not precluded from making management contributions, but such contributions will not be recognized to meet the requirements of being a significant contribution of active personal management under this section.

**238 Restrictions on Active Personal Management Contributions [7 CFR 1400.602] (Continued)**

**C Designating Farm Manager**

Non-family joint operations, comprised of non-family members, where more than 1 member is seeking to qualify on management, must identify which farm managers will be recognized.

A representative of the joint operation must designate the managers to qualify as actively engaged in farming when more than 1 member is contributing management in the joint operation. The designation must be recorded in the remarks section of CCC-902.

**239 Restrictions on Farm Managers**

**A One Farm Manager**

Only 1 farm manager, as defined in this section, will be allowed for a farming operation with any nonfamily members, except as provided in subparagraph B.

**B Exceptions for Additional Farm Managers**

A farming operation with nonfamily members may qualify for additional farm managers, for a maximum of 3 managers for the operation, if the farming operation and its members meet the criteria in the following table.

Operation Size	Operation Complexity
Produces: <ul style="list-style-type: none"> <li>• and markets crops on 2,500 acres or more of cropland; or</li> <li>• honey with more than 10,000 hives; or</li> <li>• wool from a flock of more than 3,500 ewes.</li> </ul>	<ul style="list-style-type: none"> <li>• Number and types of livestock, and/or crops.</li> <li>• Other agricultural products produced.</li> <li>• Marketing channels used.</li> <li>• Geographical area covered by the farming operation.</li> </ul>

**239 Restrictions on Farm Managers (Continued)**

**B Exceptions for Additional Farm Managers (Continued)**

<b>Operation Size</b>	<b>Operation Complexity</b>
FSA STC’s may adjust the limitations described up or down by not more than 15 percent if FSA STC determines that the relative size of a farming operation in the State requires a modification of either or both of these limitations.  If FSA STC seeks to make a larger adjustment, DAFP review and approval is required of this request.	Any determination by FSA STC that a farming operation is complex must be reviewed by and concurrence obtained from DAFP to be applied.
<b>Member Records of Management Activities</b>	
Each person must maintain contemporaneous records or logs of management activities performed throughout the entire crop year.	

**Note:** A “manager” must be an individual who is a member of, or a shareholder in an embedded entity that is a member of the non-family joint operation.

**240 Request and Approval of Additional Farm Managers**

**A Additional Farm Managers**

Any farming operation requesting 1 or 2 additional farm managers must do the following:

- submit a completed CCC-902FM to COC for the approval of additional farm managers
- provide the required documentation specified in subparagraph 239 B (operation size, operation complexity, and member records of management activities).

**B Review and Approval of Written Requests**

Approval authority for additional farm managers resides with the local COC and STC as follows.

<b>Approval Authority</b>	<b>Operational Size</b>	<b>Operational Complexity</b>	<b>Both Operational Size and Complexity</b>
COC only.	X		
STC with DAFP concurrence.		X	X

**240 Request and Approval of Additional Farm Managers (Continued)****B Review and Disapproval of Written Requests (Continued)**

Both operational size and operational complexity standards must be met by the farming operation for the approval of 2 additional farm managers, not to exceed a total of 3 farm managers for the farming operation.

**Written** requests for 1 additional farm manager based on operational size only require review and approval or disapproval by the local COC.

**Written** requests for 1 additional farm manager based on operational complexity only require:

- acceptance and review by COC
- recommendation from COC to STC
- completion of CCC-905 by STC
- approval or disapproval by STC
- concurrence from DAFP, if necessary.

**Written** requests for 2 additional farm managers require **all** of the following:

- acceptance and review by COC
- recommendation from FSA COC to STC
- completion of CCC-905 by STC
- approval or disapproval by STC
- concurrence from DAFP, if necessary.

**C Review and Disapproval of Written Requests**

Any request for additional farm managers that is disapproved requires timely written notice to the farming operation and its members and must include all of the following:

- explanation and reasons for the disapproval
- administrative appeal rights according to 1-APP.



**241 Recordkeeping Requirements [7 CFR 1400.603]****A Management Activity Record**

Any farming operation requesting more than 1 person qualify as actively engaged in farming by making a significant contribution of active personal management, must maintain contemporaneous records or activity logs for **all** persons that make contribution of management to the farming operation under this section, but are **not** limited to the following:

- location, either on-site or remote, where the management activity was performed
- time expended and duration of the management activity performed
- description of management activity.

**B Activity Record Maintenance and Availability**

To qualify as providing a contribution of active personal management, each person in a farming operation covered by the section must:

- maintain these records and supporting business documentation
- timely make the records available for review by the appropriate FSA reviewing authority, if requested.

**C Failure to Maintain Required Management Activity Records**

If a person fails to meet the requirements of subparagraphs A and B, then both of the following will apply:

- the person's contribution of active personal management as represented to the farming operation for payment eligibility purposes will be disregarded
- the person's payment eligibility status will be re-determined for the applicable program year.

**D CCC-902MR**

The management activity record may be used in the following situations:

- for producers to meet the recordkeeping requirements in this paragraph
- for consistency in the evaluation by COC and other FSA reviewing authority of the management activities represented as performed by producers.

See paragraph 245 for an example of a management activity record.

**242 Forms and Information Collections**

**A Manual Forms**

For manual collections when the business file process is not available, use the following:

- CCC-901, members information of legal entities
- CCC-902, continuation and addendum when necessary
- CCC-902E, for legal entities and joint operations.

**B Business File Process**

Whenever possible, use the business file process for all of the following:

- updates to the current farm operating plan on file
- filing of a new farm operating plan, either for an existing farming operation or for a new farming operation.

**243 Application of This Section**

**A Options Available**

Each multi-member, non-family joint operation will be required to choose 1 of the following options, each with associated conditions for compliance with the revised payment eligibility provisions.

**Note:** The “Default” is only 1 member in the farming operation can claim a significant contribution of active personal management, either exclusively, or in combination with active personal labor, to qualify as actively engaged in farming.

<b>Option No. 1 (1 Manager)</b>	<b>Option No. 2 (2 to 3 Managers)</b>
<p>Accept this option with the following conditions.</p> <ul style="list-style-type: none"> <li>• Choose which member is the farm manager. This means only this member may claim a significant contribution of active personal management, either exclusively or in combination with active personal labor, for a determination actively engaged in farming.</li> <li>• The farm manager must meet the measurable standards for a significant contribution of active personal management; or the significant contribution of the combination of active personal labor and active personal management for a determination of actively engaged in farming.</li> </ul>	<p>Accept this option with the following conditions.</p> <ul style="list-style-type: none"> <li>• Choose which members, not to exceed 3 members total, claim a significant contribution of active personal management, either exclusively or in combination with active personal labor, for a determination of actively engaged in farming.</li> <li>• Submit request(s) for the 1 or 2 additional members (farm managers) based on size and/or complexity of the farming operation.</li> <li>• Include documentation that support the request(s) for these members to be approved in a management role.</li> </ul>

243 Application of This Section (Continued)

A Options Available (Continued)

Option No. 1 (1 Manager)	Option No. 2 (2-3 Managers)
<ul style="list-style-type: none"> <li>• All other members must claim significant contributions of active personal labor for a determination of actively engaged in farming. Any contributions of management will not apply toward meeting the requirements of actively engaged in farming.</li> <li>• Management activity records are <b>not</b> required from each member.</li> <li>• A contribution of active personal management or active personal labor by a person or member will qualify only 1 person or member of the farming operation as actively engaged in farming.</li> </ul>	<ul style="list-style-type: none"> <li>• Upon approval of the request(s):                             <ul style="list-style-type: none"> <li>• all members are required to keep and maintain a management activity record for the program year</li> <li>• each farm manager must meet the measurable standards for a significant contribution of active personal management; or the significant contribution of the combination of active personal labor and active personal management for the purpose of being determined actively engaged in farming.</li> </ul> </li> <li>• All other members must claim significant contributions of active personal labor for a determination of actively engaged in farming. Any contributions of management will not apply toward meeting the requirements of actively engaged in farming.</li> <li>• A contribution of active personal management or active personal labor by a person or member will qualify only 1 person or member of the farming operation as actively engaged in farming.</li> </ul>

244 Request for Additional Farm Managers

A Example of CCC-902FM for Written Request

The following is an example of a completed CCC-902FM, which is to be used for a written request for additional farm managers.

This form is available electronically.		(See Page 2 for Privacy and Paperwork Reduction Act Statements)	
<b>CCC-902FM</b> (02-10-16)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
<b>REQUEST FOR ADDITIONAL FARM MANAGERS</b>		1. County	Front
		2. State	KS
3. Program Year			
2016			
<b>4. Name and Address of Farming Operation</b> Wildcat Land & Cattle 1200 Maverick Rd Blue Stem, KS XXXXX-XXXX			
<b>PART A - DEFINITIONS, REQUIREMENTS, RESTRICTIONS, EXCEPTIONS</b>			
<p><u>Farm Manager</u> means a person with an interest in a farming operation who meets all requirements to be considered actively engaged in farming with only a significant contribution of active personal management, and no labor, or a significant contribution of the combination of active personal labor and active personal management.</p> <p>Only one (1) <u>Farm Manager</u> will be allowed for any 2016 through 2018 farming operation with any nonfamily members.</p> <p>A farming operation with nonfamily members may qualify for additional farm managers, for a maximum of three (3) for the operation, if the farming operation and its members meet the criteria described in 1, 2, and 3 below.</p>			
1. Operation Size		2. Operation Complexity	
<ul style="list-style-type: none"> <li>• Produces and markets crops on 2,500 acres or more of cropland; or</li> <li>• Produces honey with more than 10,000 hives; or</li> <li>• Produces wool from a flock of more than 3,500 ewes.</li> </ul>		<ul style="list-style-type: none"> <li>• Number and types of livestock, crops, and other agricultural products produced</li> <li>• Marketing channels utilized</li> <li>• Geographical area covered by the farming operation.</li> </ul>	
<b>3. Member Records of Management Activities</b>			
Each person in the farming operation must maintain contemporaneous records or logs (CCC-902 MR) of the management activities performed throughout the entire crop year.			
<ul style="list-style-type: none"> <li>• For one additional farm manager, 1 or 2, and 3 must be met. A written request for one additional farm manager based only on operation size is approved or disapproved by the local FSA County Committee.</li> <li>• For two additional farm managers, 1, 2, and 3 must all be met. A written request for two additional farm managers is accepted by the local FSA County Committee; submitted to the State FSA Committee for approval or disapproval; and subject to review by the Deputy Administrator for Farm Programs (DAFP) for concurrence.</li> </ul>			
<b>PART B - REQUEST FOR ADDITIONAL FARM MANAGERS (Select Only One)</b>			
<p><u>This request is for:</u></p> <p><input type="checkbox"/> One additional farm manager. (Criteria in 1 or 2, and 3 must be met.)</p> <p><input checked="" type="checkbox"/> Two additional farm managers. (Criteria in 1, 2, and 3 must all be met.)</p>			
<b>PART C - SUPPORTING DOCUMENTATION</b>			
Check the items of supporting documentation attached and/or provided.			
1. Operation Size		2. Operation Complexity	
<input checked="" type="checkbox"/> CCC-902E, Farm Operating Plan, Part E, Land		<input checked="" type="checkbox"/> CCC-902E, Farm Operating Plan, Part E, Land	
<input checked="" type="checkbox"/> FSA-578, Report of Acreage		<input checked="" type="checkbox"/> FSA-578, Report of Acreage	
<input checked="" type="checkbox"/> Copies of land leases.		<input type="checkbox"/> Copies of land leases.	
<input type="checkbox"/> Inventories of livestock and production assets reported for tax purposes.		<input checked="" type="checkbox"/> Inventories of livestock and production assets reported for tax purposes.	
<input type="checkbox"/> Copies of applications for program benefits or loan assistance that include inventories of livestock, livestock products, and agricultural commodities produced.		<input checked="" type="checkbox"/> Copies of applications for program benefits or loan assistance that include the inventories of livestock, livestock products, and agricultural commodities produced.	
<input type="checkbox"/> Other.		<input checked="" type="checkbox"/> Copies of marketing agreements and sales receipts.	
3. Signature of Authorized Representative (By)		4. Title/Relationship of the Individual Signing in Representative Capacity	5. Date (MM-DD-YYYY)
/s/ John Smith		President, Wildcat Land & Cattle	03-29-2016

## 244 Request for Additional Farm Managers (Continued)

## A Example of CCC-902FM for Written Request (Continued)

CCC-902FM (02-10-16)

Page 2 of 2

**General Information**

The Agricultural Act of 2014; placed restrictions on the number of members of a non-family joint operation that may qualify as actively engaged in farming by a contribution of active personal management to the farming operation. Effective for the 2016 program year, such farming operations are afforded one member that may use a significant contribution of active personal management, or a significant contribution of the combination of active personal labor and active personal management, exclusively to meet the requirements to be considered actively engaged in farming. The person or member afforded this active management role is also defined as a Farm Manager for the purpose of administering this new management provision. Additional persons or members of the farming operation who also have this active management role and who may meet the definition of Farm Manager, may be requested by the farming operation to be allowed to use such contribution to meet the requirements to be considered actively engaged in farming. However, as provided on page 1 of this form, specific size and/or complexity standards must be met by the farming operation for the approval of up to 2 additional Farm Managers. The completion of this form is to make the request for the approval of up to 2 additional Farm Managers for the specified farming operation. Supporting documentation is required before this request will be considered completed and filed with the local FSA County Committee for consideration.

**NOTE:** The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information disclosed will be used to determine eligibility to participate in and receive program payments and benefits under a CCC or FSA program for members of the farming operation documented on this Request for Additional Farm Managers. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information may result in a determination of ineligibility for program benefits for one or more members of the specified farming operation.

This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

**RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

244 Request for Additional Farm Managers (Continued)

B Example of CCC-905

Following is an example of a completed CCC-905 for the determination of operational complexity for additional farm managers.

This form is available electronically. <b>CCC-905</b> (02-10-16)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. County Front		3. Program Year 2016			
For State FSA Committee use only <b>WORKSHEET FOR THE DETERMINATION OF OPERATIONAL COMPLEXITY FOR ADDITIONAL FARM MANAGERS</b>				2. State KS					
4. Name and Address of Farming Operation  Wildcat Land & Cattle 1200 Maverick Rd. Blue Stem, KS XXXXX-XXXX									
<b>PART A – ELEMENTS AND CHARACTERISTICS OF THE FARMING OPERATION</b>									
Enter an "X" next to following elements, characteristics, and practices that describe the farming operation listed in Item 4 and as evidenced by the information provided with the CCC-902 FM.									
1. Crops		2. Livestock <i>(Foundation herds and flocks)</i>		3. Livestock Products <i>(Offspring and results)</i>		4. Geographical Area Covered		5. Farm Program Participation <i>(Check all that applies)</i>	
<input checked="" type="checkbox"/> NAP Crops		<input checked="" type="checkbox"/> Beef Dairy Swine Poultry Sheep Goats		<input checked="" type="checkbox"/> Feeders Finished Milk Eggs Wool Mohair		<input checked="" type="checkbox"/> Multiple counties located in one State		<input checked="" type="checkbox"/> FSA administered programs <input type="checkbox"/> NRCS administered programs	
<input checked="" type="checkbox"/> Non-NAP Crops						<input checked="" type="checkbox"/> Multiple counties located in multiple States		<input checked="" type="checkbox"/> RMA administered programs	
6. Marketing channels utilized				7. Remarks					
<input checked="" type="checkbox"/> Cash/conventional <i>(sale upon delivery)</i>									
<input checked="" type="checkbox"/> Forward contracting, futures, options									
<input type="checkbox"/> Fresh/Direct to consumer									
<input type="checkbox"/> Processed <i>(bottled, bagged, or packaged before sale)</i>									
<b>PART B – FINDINGS AND CONCLUSIONS</b>									
1. Number of elements, characteristics, and practices indicated by a "X"  Are the majority of the elements, characteristics, and practices specified in Part A indicated with a "X"?  Select only one of the following:  <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>  <i>Majority means more than 50 percent of the 13 total possible elements, characteristics, and practices of operational complexity.</i>				2. Operation Complexity  If "Yes," the farming operation listed in Item 4 can be considered a complex farming operation for the approval of an additional farm manager.  If "No," the farming operation listed in Item 4 cannot be considered a complex farming operation.					
3. Signature of State Committee Chairperson or representative  <i>1st Martha J. Farmer, Chairperson</i>						4. Date (MM-DD-YYYY)  04/12/2016			

## 244 Request for Additional Farm Managers (Continued)

## B Example of CCC-905 (Continued)

CCC-905 (02-10-16)

Page 2 of 2

**General Information**

Under regulations at 7 CFR Part 1400, as amended by the Agricultural Act of 2014, restrictions were placed on the number of members of a non-family joint operation that may qualify as actively engaged in farming by a contribution of active personal management to the farming operation. Effective for the 2016 program year, such farming operations are afforded one member that may use a significant contribution of active personal management, or a significant contribution of the combination of active personal labor and active personal management, exclusively to meet the requirements to be considered actively engaged in farming. The person or member afforded this active management role is also defined as a Farm Manager for the purpose of administering this new management provision. Additional persons or members of the farming operation who also have this active management role and who may meet the definition of Farm Manager, may be requested by the farming operation to be allowed to use such contribution to meet the requirements to be considered actively engaged in farming.

The purpose of this form is to:

- document the observations made of the farm operation's supporting evidence of complexity
- provide all STC's a means for the consistent evaluation of evidence in the determination of complexity for farming operations nationwide
- record a STC's actions in consideration of the respective farming operation's request for additional manager(s), submitted by the completion of the CCC-902 FM,
- document a STC's determination of operation complexity in the event of an appeal of the result.

*This form is for State FSA Committee use only.*

*In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, age, disability, sex, gender identity including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.*

*Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.*

*To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.*



245 CCC-902MR, Management Activity Record

A Example of CCC-902MR

The following is an example of CCC-902MR, to be completed for **each** member, for 1 month's time.

This form is available electronically.		(See Page 2 for Privacy Act and Paperwork Reduction Act Statements)																													
<b>CCC-902MR</b> (02-10-16)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation																							1. Program Year 2016						
<b>MANAGEMENT ACTIVITY RECORD</b>																									2. Month April						
(See Page 2 for information on eligible management activities and recordkeeping requirements)																															
Enter the number of hours of time expended for performance of each management activity item in the column for day of the month the actions were completed.																															
<b>3. Management Activities</b>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
<b>Capital</b>																															
Banking and Financing					5	5				5							5		5							4					
Money Management	4							4			4	5	8	8								4							8		
Equipment Acquisition																															
Land Acquisition																															
RMA and Insurance Acquisition				3															5		6										
USDA and NRCS Programs																										3					
<b>Labor</b>																															
Hiring Labor Services																															
Labor Management																															
Custom Services																															
<b>Agronomics</b>																															
Crop Selection																															
Planting Decisions																															
Acquisition of Inputs																															
Crop Management																															
Harvest Decisions and Harvest Management																															
Marketing Decisions and Actions																															
<b>4. TOTAL HOURS</b>	94	4		3	5	5	4			5	4	5	8	8			5	5	5	6	4				7			8			
<b>5. Location</b>																															
Farm (F) Remote (R)	F			F	F	F	F			F	F	F	F	F			F	F	F	F	F				F			F			
I certify that all the information entered on this document and any supporting documentation is true and correct. I understand furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty.																															
6. Name of Farming Operation Wildcat Land & Cattle															7. Signature of Individual Member of the Farming Operation /s/ Wanda Wildcat										8. Date (MM-DD-YYYY) 05-05-2016						



245 CCC-902MR, Management Activity Record (Continued)

A Example of CCC-902MR (Continued)

The following is the reverse side of CCC-902MR.

<p>CCC-902MR (02-10-16) <span style="float: right;">Page 2 of 2</span></p>	
<p><b>Active Personal Management Activities</b></p>	<p><b>Recordkeeping Requirements</b></p>
<p>Active personal management means personally providing and participating in management activities considered critical to the profitability of the farming operation and performed under one or more of the following categories:</p> <ol style="list-style-type: none"> <li>1. Capital, which includes:                     <ol style="list-style-type: none"> <li>A. Arranging financing and managing capital;</li> <li>B. Acquiring equipment;</li> <li>C. Acquiring land and negotiating leases;</li> <li>D. Managing insurance; and</li> <li>E. Managing participation in USDA programs;</li> </ol> </li> <li>2. Labor, which includes hiring and managing of hired labor; and</li> <li>3. Agronomics and marketing, which includes:                     <ol style="list-style-type: none"> <li>A. Selecting crops and making planting decisions;</li> <li>B. Acquiring and purchasing crop inputs;</li> <li>C. Managing crops and making harvest decisions; and</li> <li>D. Pricing and marketing of crop production.</li> </ol> </li> </ol>	<p>Any person or member seeking to qualify as making a significant contribution of active personal management must maintain contemporaneous records of activity logs for all persons that make any contribution of any management to a farming operation under this subpart that must include, but are not limited to, the following:</p> <ol style="list-style-type: none"> <li>1. Location where the management activity was performed; and</li> <li>2. Time expended and duration of the management activity performed.</li> <li>3. To qualify as providing a significant contribution of active personal management each person covered by this subpart must:                     <ol style="list-style-type: none"> <li>A. Maintain these records and supporting business documentation; and</li> <li>B. If requested, timely make these records available for review by the appropriate FSA reviewing authority.</li> </ol> </li> </ol>
<p><b>NOTE:</b> <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information disclosed will be used to determine eligibility to participate in and receive program payments and benefits under a CCC or FSA program as a member of the farming operation documented and certified on this Management Activity Record. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</i></p> <p><i>This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></i></p> <p><i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i></p> <p><i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</i></p> <p><i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</i></p>	

246 Farm Operating Plan

A Example of CCC-902E

The following is an example of a completed manual CCC-902E for a joint operation that illustrates the requirements covered in this section.

This form is available electronically. (See Page 5 for Privacy Act and Paperwork Reduction Act Statements)

<b>CCC-902E</b> (09-28-20)  <b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation  <b>FARM OPERATING PLAN FOR AN ENTITY</b>	1. County Jones	3. Program Year  2020
	2. State Texas	

For "actively engaged in farming" and other payment eligibility/limitation determinations.

*This form is to be completed for a legal entity, including a joint operation, that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the entity that receives program benefits directly using the tax identification number listed in Part A. This form also collects information about the members of such entity. A person who receives program benefits directly as an individual must complete a CCC-902E with respect to that person's operation. Payment eligibility is based upon the contribution of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the entity listed in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.*

**PART A - ENTITY INFORMATION**

1. Farming Entity's Name and Address (Include Zip Code) Southland Partners 205 Berns Rd Claburne, TX XXXXX-XXXX	2. Tax Identification Number (If the taxpayer identification Number is already on file with FSA, only the last 4 digits are required) XXXX
	3. Date of Formation (MM-DD-YYYY) 01-10-2014

**PART B - TYPE OF OPERATION (Select only one)**

1. Select appropriate type of operation that defines the entity identified in Part A:

<input checked="" type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Estate	<input type="checkbox"/> Indian Tribe
<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Charitable/Tax-exempt Organization	
<input type="checkbox"/> Sole Proprietorship/DBA	<input type="checkbox"/> Revocable/Living Trust	<input type="checkbox"/> Public School	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Corporation	<input type="checkbox"/> Irrevocable Trust	<input type="checkbox"/> City, County or State-owned Entity	

2. Trust documents for an Irrevocable Trust are required to be provided. Other supporting documentation (such as articles of incorporation, partnership agreement, evidence of heirship, and operational authorities of all shareholders, members and owners) may be required, except for public schools, States, State entities, cities, and counties, to verify the legal status of the entity and the authority of its shareholders, members or owners to the satisfaction of CCC.

**PART C - MEMBER INFORMATION (Use CCC-902E Continuation if additional space is needed for any information in Part C)**

1. **Members** - List all members/shareholders/beneficiaries/heirs/partners of the entity identified in Part A of this form:

A. Name	B. Tax ID Number (Last 4 digits if already on file)	C. % Share	D. Position and Salary (if applicable)	E. Family Member Relationship* (if applicable)	F. Does this member have signature authority for the legal entity? (Yes or No)
Jack Brooks	XXXX	25	Partner \$ 0	Sibling	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Joanne Brooks	XXXX	25	Partner \$ 0	Spouse	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
John Brooks	XXXX	25	Partner \$ 9	Sibling	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Judy Brooks	XXXX	25	Partner \$ 0	Spouse	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO

\* Family member means great grandparent, grandparent, parent, spouse, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1<sup>st</sup> cousin, niece, nephew, aunt, uncle of family member in the farming operation (see definition on page 6).

2. If the entity in Part A is an Estate or Trust, or if any member/shareholder is listed above is an Estate or Trust, list the Executor, Administrator, or Grantor:

A. Name of Estate or Trust	B. Name of Executor/Administrator/Grantor

3. Embedded Entities - If any member/shareholder of the entity identified in Part A is an entity, a CCC-901, Member's Information, must also be completed and submitted concurrent with this CCC-902E. Additionally, a CCC-902E must be completed and submitted for each embedded entity.

Check if CCC-901 is attached.  Check if CCC-902E is attached for an embedded entity.

246 Farm Operating Plan (Continued)

A Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Southland Partners</u>			Page 2 of 6					
4. Minor Members or Shareholders – For any Member or Shareholder who is a minor, provide the following: <input checked="" type="checkbox"/> N/A										
A. Minor's Name	B. Date of Birth	C. Parent's or Guardian's Name	D. Parent's or Guardian's Address	E. Parent or Guardian's SSN or Tax ID Number <i>(Last 4 digits if already on file)</i>						
F. Separate Status of Minors:										
(1) Is any minor a producer on a farm in which the parent or guardian has no interest? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(2) Does any minor maintain a separate household from the parent or guardian and personally carry out farming Activities with respect to the minor's farming operation, including maintaining separate accounting? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(3) Does any minor who is represented by a court-appointed guardian or conservator responsible for the minor a) live in a household other than the parents' household(s), and b) have a vested ownership in the farm? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(4) If any minor with an interest in this farming operation can answer "YES" to Items F(1) through F(3), list that minor's name:										
5A. Citizenship Status - Is each Member and Shareholder of the entity or joint operation identified in Part A, and any embedded entity identified in Part C a U.S. Citizen?										
<input checked="" type="checkbox"/> YES, all members/shareholders are US Citizens - Go to Part D										
<input type="checkbox"/> NO, one or more members/shareholders is not a US Citizen - Complete Item 5B										
5B. For each member or shareholder (direct or embedded) who is not a US Citizen, provide the following:										
(1) Name of Individual	(2) This individual has a valid Form I-551	FOR FSA USE ONLY								
		Form I-551 Presented to FSA		CCC Initials						
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO							
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO							
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO							
	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO							
<b>PART D - SUMMARY OF CONTRIBUTIONS TO THE FARMING OPERATION</b>										
1. For the farming operation of the entity identified in Part A, what percentages of the overall inputs will be contributed directly by the Entity? Enter the following information for contributions to be made by the entity identified in Part A. <i>These percentages should reflect the capital provided directly by the legal entity; land and equipment owned and/or cash leased by the legal entity and used in the farming operation; labor hired by the legal entity; and management hired by the legal entity. (Provide detailed information about these contributions in Items A through E.)</i>										
A. Capital	B. Land	C. Equipment	D. Hired Labor	E. Hired Management						
100 %	90 %	100 %	70 %	0 %						
2. For the farming operation of the entity identified in Part A, what percentages of the following farm inputs will be contributed by the Members listed in PART C? Enter the following information for the contributions to be made by the members. <i>These percentages should reflect any capital originating from members' funds rather than from the entity; land and equipment owned or obtained by the member(s) and contributed to this farming operation without compensation to the member(s); labor and management hired by the members for the entity; and labor and management performed personally by the member(s) for the benefit of the farming operation identified in Part A. (Provide information about these contributions in Items B through H).</i>										
A. Member's Name	B. Capital (Current Year) %	C. Land %	D. % of Owned Land	E. Equipment %	F. % of Owned Equipment	G. Labor (%)			H. Management (%)	
						Hired	Active Personal	Check if 1000 Hours	Hired	Active Personal
Jack Brooks							10	<input type="checkbox"/>		25
Joanne Brooks							5	<input type="checkbox"/>		25
John Brooks							10	<input type="checkbox"/>		25
Judy Brooks							5	<input type="checkbox"/>		25
								<input type="checkbox"/>		
								<input type="checkbox"/>		
For additional space, use and attach CCC-902E Continuation										

246 Farm Operating Plan (Continued)

A Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Southland Partners</u>			Page 3 of 6			
<b>PART E - LAND</b>								
1. Land: Enter the following information for ALL land in the farming operation of the entity identified in Part A. <i>If land is cash leased from an individual or entity that has an interest in the crop or crop proceeds, include the rental rate in \$/acre in Column F; otherwise enter "cash."</i> (For additional space, complete CCC-902 Continuation and attach to this form)								
A. Farm No. and Location (County and State)	B. Land Leased or Contributed By	C. Check as applicable			D. Name of Person or Entity Whom Land is Leased to and/or from (Includes names of landowners and landlords)	E. Acres Owned or Leased	F. Rental Rate \$ per Acre/ % or Crop Share	G. Check here if same land interest was held last year
		Owned	Leased To	Leased From				
Farm No.: 42 Location: Jones, TX	Southland Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Rod Beckham Estate	364	75%	<input checked="" type="checkbox"/>
Farm No.: 948 Location: Jubal, TX	Southland Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Ben Thomas Heirs	175	75%	<input checked="" type="checkbox"/>
Farm No.: 1314 Location: Erath, TX	Southland Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Kirk Dilhar	508	75%	<input checked="" type="checkbox"/>
Farm No.: 24 Location: Hill, TX	Southland Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Ludlow Properties LTD	900.0	75%	<input checked="" type="checkbox"/>
Farm No.: 42 Location: Mesquite, TX	Southland Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	J Bar Ranch	15,000.00	Cash	<input checked="" type="checkbox"/>
<b>PART F - CAPITAL SOURCES and USES</b>								
1. Indicate the source(s) of all farming capital for the entity identified in Part A? (Check ALL that apply.)								
<input checked="" type="checkbox"/> Non-borrowed capital <input type="checkbox"/> Private loans/credit <input type="checkbox"/> FSA program payments from this crop year <input type="checkbox"/> Commercial loans/credit <input type="checkbox"/> Other: _____								
2. Will contributions of capital, farming equipment or land be acquired as a result of a loan or credit arrangement? <input checked="" type="checkbox"/> YES go to Item 3 <input type="checkbox"/> NO go to Part G								
3. Will such loan or credit be acquired from, guaranteed by, co-signed by, or secured by an individual, joint operation or entity that has an interest in the farming operation identified in Part A (Such interest may be as a landowner or other tenant)? <input type="checkbox"/> YES. Complete Items 3(A) through 3(E) <input checked="" type="checkbox"/> NO. Go to Part G								
A Type of Contribution	B Name of Loan or Credit Source	C Guarantor's Name	D Credit Source or Guarantor's Affiliation or Interest in the Farming Operation	E Percent of Total Capital				
					%			
					%			
					%			
<b>PART G - EQUIPMENT (All percentages are based on annual rental values.)</b>								
1. Owned Equipment: Enter the percent of ALL equipment owned by the farming operation of the entity identified in Part A that will be used on the farms identified in Part C by the entity: _____ 90 %								
2. Leased Equipment: Enter the following information for ALL leased equipment to be used in the farming operation of the entity identified in Part A. If leased equipment is not used in this farm operation, enter 0%.								
A Percent of Total Equipment Used in the Farming Operation	B Name of Individual/Entity Equipment is Leased From	C Type of Equipment Leased	D. Does the Individual/Entity the equipment is leased from have an interest in this farming operation?					
10 %	Roger's Implement Company	Air Seeder	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
%			<input type="checkbox"/> YES <input type="checkbox"/> NO					
%			<input type="checkbox"/> YES <input type="checkbox"/> NO					
3. Lease Agreements: If Item 2D is "YES," copies of lease agreement and documentation may be required for compliance purposes. GO TO Part H.								

246 Farm Operating Plan (Continued)

A Example of CCC-902E (Continued)

CCC-902E (09-28-20)	Name of Entity (as identified in Part A): <u>Southland Partners</u>	Page 4 of 6	
<b>PART H - CUSTOM SERVICES</b>			
1. Will custom services be utilized by the entity identified in Part A on the farms listed in Part E? <input checked="" type="checkbox"/> <b>NO.</b> GO TO PART I <input type="checkbox"/> <b>YES.</b> Complete Items 1A through 1D.			
A. Type of Services	B. Farm Number(s)	C. Number of Acres	D. Name of Provider
<b>PART I - LABOR NOT PROVIDED BY MEMBERS/SHAREHOLDERS IDENTIFIED IN PART C</b>			
For the farms listed in Part E, enter the information for contributions of labor to the farming operation that will not be provided by the members or shareholders listed in Part C:			
<b>Type</b>		<b>Amount</b>	
1. <b>Other labor:</b> Enter the percentage or the number of hours to be donated by family members or others for which no payment will be issued or owed.		0 %	hrs
2. <b>Hired labor:</b>			
A. Will any of the hired labor for the farming operation identified in Part A originate from the same source as the leased equipment in Part G? <input checked="" type="checkbox"/> <b>NO</b> <input type="checkbox"/> <b>YES</b> If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.			
B. Will any of the hired labor for the farming operation identified in Part A be included in the custom services shown in Part H? <input checked="" type="checkbox"/> <b>NO</b> <input type="checkbox"/> <b>YES</b> If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.			
<b>PART J - MANAGEMENT</b>			
Enter all managerial duties and/or activities required for the farming operation identified in Part A which will be provided personally by member(s) or shareholder(s) of the entity or joint operation; or by hired management.			
1. <b>Active personal management:</b>			
List each member or shareholder in column A; the specific managerial duties/activities that will be performed personally by each member or shareholder in column B. For nonfamily member operations only, complete items in column C to include the amount of time expended annually, either in hours or as a percentage of the total management hours required for the farming operation.			
A. Member/Shareholder	B. Duties/Activities	C. Time Expended Annually <i>(For nonfamily member operations only)</i>	
Jack Brooks	Crops, equipment, irrigation, financing, pasture cattle	hrs	%
Joanne Brooks	Bookkeeping, financing, marketing, FSA business	hrs	%
John Brooks	Crops, feeder cattle and feed yard, financing, hire	hrs	%
Judy Brooks	Financing, daily marketing of commodities and lives	hrs	%
		hrs	%
		hrs	%
For additional space, use and attach CCC-902E Continuation			
2. <b>Hired management:</b> Enter the percentage of hired management contributed to the farming operation. Describe any hired management duties/activities that will be provided by someone other than a member or shareholder. (Include management by an administrator or trustee who receives compensation for this service or activity):		<b>Amount</b> %	
3. <b>Other management:</b> Enter the percentage of other management contributed to the farming operation. Describe any non-compensated management that will be provided by someone other than a member or shareholder. (Include management by an administrator or trustee who does not receive compensation for this activity):		%	

246 Farm Operating Plan (Continued)

A Example of CCC-902E (Continued)

CCC-902E (09-28-20)	Name of Entity (as identified in Part A): <u>Southland Partners</u>	Page 5 of 6
<b>PART K - REMARKS</b>		
<p>Check all of the following that apply:</p> <p><input checked="" type="checkbox"/> CCC-902 Continuation attached for additional information for Part E - Land</p> <p><input type="checkbox"/> CCC-902E Continuation attached for additional information for the following Parts:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Part C – Member information</li> <li><input type="checkbox"/> Part D – Summary of Contributions</li> <li><input type="checkbox"/> Part F – Capital</li> <li><input type="checkbox"/> Part G – Equipment</li> <li><input type="checkbox"/> Part H – Custom Services</li> </ul>		
<b>PART L - CERTIFICATION - (FOR JOINT VENTURES AND GENERAL PARTNERSHIPS, A SIGNATURE IS REQUIRED FOR EACH MEMBER)</b>		
<p><i>I certify that all the information entered on this document and any supporting documentation is true and correct. I understand that furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation. By signing this form, I acknowledge that:</i></p> <ul style="list-style-type: none"> <li>• all supporting documentation has been submitted as required</li> <li>• I have reviewed and understand all definitions and requirements on Page 6 of this form.</li> <li>• all information will be considered in effect continuously unless changes or revisions are submitted.</li> <li>• it is my responsibility to timely notify FSA in writing of any changes that may affect these representations, including, but not limited to: the composition of the entity identified in Part A; the farming, ranching or forestry operation of the entity identified in Part A; financial status of the entity identified in Part A.</li> <li>• evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and I will take all necessary actions to provide such materials to the applicable State or county committee if requested by FSA.</li> <li>• it is my responsibility to timely notify FSA in writing of any successors who acquire an interest in this farming operation as the result of the death of a member or shareholder.</li> </ul>		
1. Signature (By)	2. Title/Relationship of Individual Signing in the Representative Capacity	3. Date (MM-DD-YYYY)
	Partner	12-13-2019
	Partner	12-13-2019
	Partner	12-13-2019
	Partner	12-13-2019
<p><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify the farm operating plan data needed to determine a legal entity's eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</p> <p><b>Paperwork Reduction Act (PRA) Statement:</b> This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p> <p><i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i></p> <p><i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</i></p> <p><i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</i></p>		

## 246 Farm Operating Plan (Continued)

## A Example of CCC-902E (Continued)

CCC-902E (09-28-20)

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## DEFINITIONS

The following definitions apply to Form CCC-902E.

1. **ACTIVELY ENGAGED IN FARMING** – means providing both: 1) significant contributions of capital, equipment, or land, or combination thereof to the farming operation; and 2) significant contributions of active personal labor or active personal management, or a combination thereof, to the farming operation as described. Further, for a person or legal entity to be considered actively engaged in farming for program payment purposes, the contributions of the person or legal entity must be at-risk and commensurate with the person's or legal entity's claimed share of the profit and loss of the farming operation. Failure to meet these requirements will result in the determination of ineligibility for payments under programs specified in 7 CFR Part 1400.
2. **INTEREST IN A FARMING OPERATION** – a person or legal entity is considered to have an interest in a particular farming operation if the person or legal entity owns or rents land to or from that farming operation; has an interest in the agricultural commodities produced on the operation; or is a member of a joint operation that either owns or rents land to or from the farming operation, or has an interest in the agricultural commodities produced on that operation.
3. **JOINT OPERATION** - is a general partnership, joint venture, or similar organization.
4. **PERSON** – is a natural person (an individual) and does not include a legal entity.
5. **ACTIVE PERSONAL LABOR** – a person is considered to be providing active personal labor with respect to a farming operation if that person is directly and personally providing physical activities necessary to conduct the farming operation, including land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities in the farming operation. Other qualifying physical activities include establishing and maintaining conserving covers and those physical activities necessary for livestock production for the farming operation.
6. **ACTIVE PERSONAL MANAGEMENT** – a person is considered to be providing active personal management with respect to a farming operation if that person is directly and personally providing the general supervision and direction of activities and labor involved in the farming operation; or providing services (whether performed on-site or off-site) reasonably related and necessary to the farming operation. The management activities must be critical to the profitability of the farming operation and performed under one or more of the following categories: 1) Capital which includes arranging financing and managing capital; acquiring equipment; acquiring land and negotiating leases; managing insurance and participating in USDA programs; 2) Labor which includes hiring and managing of hired labor; 3) Agonomics and marketing which includes selecting crops and making planting decisions; acquiring and purchasing of crop inputs; managing crops and making harvesting decisions; pricing and marketing of crop production.
7. **CAPITAL** – with respect to a farming operation is the funding provided by a person or legal entity to the farming operation in order for such operation to conduct farming activities. To be considered a countable contribution for a person or legal entity, the capital must have been derived from a fund or account separate and distinct from that of any other person or entity involved in such operation. Countable capital does not include the value of any labor or management which is contributed to the farming operation. A capital contribution may be a direct out-of-pocket input of a specified sum or an amount borrowed by the person or entity. Capital does not include advance program payments.
8. **CONTRIBUTION** – with respect to a farming operation, is providing land, capital or equipment assets, and providing active personal labor, or active personal management to the farming operation in exchange for, or with the expectation of, deriving benefits based solely on the success of the farming operation. Contributions must be "significant".
9. **CUSTOM SERVICES** – with respect to a farming operation is the hiring of a contractor or vendor that is in the business of providing such specialized services to perform services for the farming operation in exchange for the payment of a fee for such services performed.
10. **ENTITY** - is a corporation, joint stock company, limited liability company, association, limited partnership, limited liability partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any such organization participating in the farming operation as a partner in a general partnership, participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.
11. **EQUIPMENT** – with respect to a farming operation is the machinery and implements needed by the farming operation to conduct activities of the farming operation including machinery and implements involved in land preparation, planting, cultivating, harvesting or marketing of the crops produced by the farming operation. Equipment also includes machinery and implements needed to establish and maintain conserving covers.
12. **FAMILY MEMBER** – a person is considered to be a family member of another person in the farming operation if that person is related to the other person as a lineal ancestor, lineal descendant, sibling, 1st cousin, niece, nephew, spouse, or otherwise by marriage. This relationship includes great grandparent, grandparent, parent, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1st cousin, niece, nephew, aunt, uncle or spouse of family member in the farming operation.
13. **FARMING ENTITY** – is the entity, including a combination of entities, conducting a farming operation at one or more locations.
14. **FARMING OPERATION** - is a business enterprise engaged in the production of agricultural products which is operated by a person or formal or informal entity which is eligible to receive payments, directly or indirectly.
15. **LAND** – with a respect to a contribution to a farming operation is agricultural land consisting of cropland, pastureland, wetland, or rangeland which meets the specific requirements of the applicable program for which payments or benefits are sought.
16. **SUPPORTING DOCUMENTATION** – is any information that supports the relevant representations made such as, but not limited to: articles of incorporation; corporate meeting minutes; stock certificates; organizational papers; trust agreement; last will or testament or a deceased individual; affidavit of heirship approved by Office of General Counsel; partnership agreement; property lease agreement; purchase agreement; land deed; lending security agreement; and financial statement.
17. All other terms utilized in this form shall be defined pursuant to 7 CFR Part 1400.

247 Part 5, Section 4 Application Guide

A Application Guide

The following is a 1-page guide for the correct application of Part 5, Section 4, beginning with the review of the existing farm operating plan on record and ending with recording the new determinations of record.

**Note:** Written requests for additional managers must be received, and approval and/or disapproval must also be received before revision of the existing plan on record.

Application of 6-PL, Part 5, Section 4 Start With the Existing Farm Operating Plan (CCC-902E) on File and Then... (move from top to bottom in the column, then right to next column)					
Review and determine whether a family or nonfamily joint operation.	Affirm the number of farm managers from 1 person up to a maximum of 3 persons or members if specific conditions are met by the farming operation.	The farm manager(s) will be identified on the filed farm operating plan by the represented contribution of active personal management only; or the contribution of the combination of active personal labor and active personal management.	Complete CCC-903 and make all required determinations for payment eligibility and payment limitation purposes for the farming operation and its members. See 5-PL, Part 7.	Timely issue written notice to the farming operation and its members of all determinations made for payment eligibility and payment limitation purposes as reflected by the completed CCC-903.	Record all determinations in the web eligibility files for the farming operation and its members. See 3-PL (Rev. 2).
Definition of “family member” includes the following: great-grandparent; grandparent; parent; child (including legally adopted children and stepchildren); grandchild; great grandchild; sibling of family member; spouse of family member.	If more than 1 farm manager, a request for the additional farm manager(s) based on operational size and/or complexity must be submitted to the COC for consideration and approval or disapproval.	Management only requirement is the lesser of 500 hours or 25 percent of the total management required annually for the farming operation; or, 550 to 950 hours total of the combination of active personal labor and active personal management required annually for the farming operation.	For operations with 6 or more members, the State Office completes all required determinations for payment eligibility and payment limitation purposes.	Include appeal rights according to 1-APP.	
If all members are family members, then Part 5, Section 4 (Part 1400, Subpart G) does not apply. No further actions are required.	If request is for 2 additional farm managers, COC will forward request to STC for consideration and approval or disapproval with the concurrence of DAFP.	All members of the farming operation must maintain a record of <i>eligible</i> management activities performed throughout the entire program year.	Determinations include actively engaged in farming; cash rent tenant; spouses; foreign person; minor child; and the number of payment limitations applicable to the farming operation for the program year.		
If the joint operation includes a nonfamily member(s), then Part 5, Section 4 applies. Go to the top of the next column.	Revision of existing farm operating plan, or the filing of a new farm operating plan, as required to reflect the changes in the operation.	The contributions of management or combination of management and labor by a person may qualify only 1 person or member in the same farming operation as actively engaged in farming.			

248-256 (Reserved)



**Section 5 Corporations, LLC’s, LLP’s, and LP’s**

**257 Determination of Ownership Interest**

**A Ownership in Legal Entities**

Ownership interest in a legal entity that receives payment subject to limitation for the program year will be determined according to this table.

<b>IF the legal entity...</b>	<b>THEN the date for the determination of ownership interest is...</b>
existed on June 1 of the year for which program benefits were requested	June 1.
did <b>not</b> exist on June 1 of the year for which program benefits were requested	the date the legal entity was formed.

Voluntary acquisition of interest after June 1, or date legal entity was formed, does **not** reduce the ownership share of any interest holder for payment limitation purposes.

For interest held in other legal entities that have minor children as heirs, beneficiaries, or members, consider any program payments received by or attributed to that interest of the minor child as being attributed to the minor child’s parent or legal guardian.

**\*--Notes:** If the minor child is considered separate for payment limitation purposes according to paragraph 108, program payments received by or attributed to the minor child’s interest will **not** be attributed to the parent or legal guardian.

The interest of the minor child is never combined with the parent or legal guardian when determining ownership interest and applying notification of interest provisions according to paragraph 111.--\*

**B Stock Classes**

For corporations with more than 1 stock class; such as preferred and common, the ownership percentage of stock, or unit of ownership, must be determined by the fair market value of outstanding stock.

**Note:** The value can be determined by COC, STC, DAFP, or designee, but should be determined at the earliest level **before** referring to the next higher level of authority.

**257 Determination of Ownership Interest (Continued)****C Fair Market Value Factors**

To determine the fair market value of stock, or unit ownership, the following available factors must be considered:

- current market quotations for each stock class
- relevant factors affecting the value of each stock class
- rights and privileges of each stock class
- any other information that would assist in the determination.

**D LP's**

LP's normally have at least 1 general partner and 1 limited partner. In cases where LP has been reduced to 1 member, this will result in a change that requires a new CCC-902 be filed and a new determination. Producers will be required to complete CCC-902 with the correct member information and provide documentation to support the 1-member LP.

**E Non-Profits/Tax Exempt, Associations, and Similar Entities**

Legal entities created and governed under the laws of the State that are tax exempt or non-profit, generally a corporation, do not distribute earnings to its members. Members do not hold an ownership interest in the legal entity.

Refer to subparagraph 112 B for information regarding required documentation to support the legal entity's status as a non-profit or tax-exempt organization.

Refer to 11-CM, Exhibit 10 for creating and maintaining business type codes for non-profit or tax exempt organizations.

## 258 Eligibility Determinations

## A Actively Engaged in Farming

[7 CFR 1400.204] A corporation, LLC, LLP, or LP must be considered to be actively engaged in farming, if **all** of the requirements in this table are met.

Item	Requirement
1	The legal entity independently and separately makes a significant contribution of capital, equipment, land, or combination thereof.
2	Partners, stockholders, or members with an ownership interest in the legal entity make contributions, whether compensated or <b>not</b> compensated, of active personal labor, active personal management, or a combination of active personal labor and active personal management to the farming operation.
3	The collective contribution of active personal labor or active personal management by partners, stockholders, or members must be a significant contribution to the farming operation.
4	The legal entity's share of the profits or losses from the farming operation is commensurate with the contributions to the farming operation.
5	The legal entity's contributions are at risk, with the level of risk being commensurate with the legal entity's claimed share of the farming operation.

**Note:** Landowners will be considered Actively Engaged in Farming on owned land, according to paragraph 152, even though the above contributions are not being made. Cropland factors may apply.

## B Member Contribution Requirements

In addition to the requirements of actively engaged in farming, all partners, stockholders, or members with an ownership interest in the legal entity **must** make contributions of active personal labor and/or active personal management to the farming operation of the legal entity that are:

- performed on a regular basis
- identifiable and documentable
- separate and distinct from contributions of any other partner, stockholder, or member.

**Note:** If a partner, stockholder, or member fails to meet this requirement, payments subject to the actively engaged in farming determination will be reduced by the share held by that partner, stock, or member.

## 258 Eligibility Determinations (Continued)

**C Exceptions to Member Contribution Requirements**

The following are exceptions to the requirements of subparagraph B.

**Payments less than 1 limitation** – If the total of program payments and benefits subject to actively engaged in farming provisions, received both directly and indirectly, for the program year by the partners, stockholders, and members does **not** exceed \$125,000, the requirement of a significant contribution of active personal labor or active personal management may be met by partners, stockholders, or members who collectively hold at least 50 percent of the ownership interest in the legal entity.

**\*--Notes:** Benefits applicable to this exception are ARCPLC and ECAP payments.

When total payments and benefits for the applicable program year are unknown,--\* timely make all payment eligibility and limitation determinations with the assumption that this exception is met by a farming operation that requests this exception. When the total amount of payments and benefits subject to the \$125,000 limitation received by the farm is known, revisit the eligibility determinations of record. If total program payments and benefits issued to the farming operation exceed the \$125,000 annual limitation, then redetermine eligibility accordingly.

**Spouses** – If both spouses are interest holders in the same legal entity, the contribution of active personal labor and/or active personal management of 1 spouse to the farming operation of the legal entity will also meet the other spouse's requirement to make a contribution of active personal labor and/or active personal management to the farming operation of the legal entity.

**Minor children** – If a parent is an interest holder in a legal entity in which his or her minor children are also interest holders, the parent's contribution of active personal labor and/or active personal management to the legal entity's farming operation will also meet the requirement that each minor child **must** make a contribution of active personal labor and/or active personal management to the same farming operation.

**Spouses and minor children** – If both spouses and minor children are in the same legal entity, the contributions of 1 spouse/parent of active personal labor and/or active personal management to the legal entity's farming operation will meet the requirements that all these interest holders of the legal entity **must** contribute active personal labor and/or active personal management to the legal entity's farming operation.

**Note:** Contributors of active personal labor and/or active personal management to a legal entity's farming operation **must** hold an ownership interest in the legal entity at the time the contributions are made.

**Landowner** – If all land in the legal entity's farming operation is owned by the legal entity, the requirements of subparagraph A do **not** apply to the interest holders of the legal entity.

**258 Eligibility Determinations (Continued)****D Separate and Distinct Contributions of Labor**

If a partner, stockholder, or member provides active personal labor to the entity's farming operation that is performed on a regular basis, and that is identifiable and documentable, that partner, stockholder, or member will be considered to have met the requirements of a separate and distinct contribution of labor to the entity's farming operation.

**E Burden of Proof Recordkeeping Requirements**

All partners, stockholders, and members with an ownership interest must contribute active personal labor and/or active personal management to the entity's farming operation.

Each partner, stockholder, and member must be able to show by reasonable means that these activities are:

- performed on a regular basis throughout the crop year
- identifiable and documentable as to which partner, stockholder, or member made this contribution
- separate and distinct from any other partner, stockholder, or member with an ownership interest in the farming operation.

**F Methods of Proof**

Reasonable records may include, but are not limited to, the following:

- appointment books
- calendars
- narrative summaries
- phone logs
- contemporaneous records
- activity logs with date, time, and description of activity performed
- documents for goods and services used by the farming operation signed only by the interest holder.

258 Eligibility Determinations (Continued)

**G Verification of Recorded Activities**

COC may request verification from an interest holder if:

- the records provided for these activities seem unreasonable for the type and size of the farming operation
- performance of these activities is questionable as claimed
- the farming operation is selected for an end-of-year review for payment eligibility and payment limitation compliance purposes.

**H Payment Reduction**

If any partner, stockholder, or member fails to meet the requirements in subparagraph A, **all** payments to the legal entity subject to the actively engaged determination will be reduced by an amount commensurate with the ownership share held by the partner, stockholder, or member.

**I Member Contribution Requirements and Joint Operations**

This table provides guidance for the applicability of member contribution requirements when the payment entity is a joint operation.

<b>IF the member is....</b>	<b>THEN member contribution provisions...</b>
individual	do <b>not</b> apply, unless the individual is a member of an embedded entity in the organizational structure.
legal entity without members	are <b>not</b> applied.
revocable trust	do <b>not</b> apply, unless the trust or estate is a member of an embedded entity in the organizational structure.
irrevocable trust	
estate	
LLC using a Social Security number	do <b>not</b> apply, unless LLC is a member of an embedded entity in the organizational structure.
legal entity, including: <ul style="list-style-type: none"> <li>• corporation</li> <li>• limited partnership</li> <li>• individual operating as a small business</li> <li>• LLC using EIN</li> </ul>	apply to any members of the legal entity who are: <ul style="list-style-type: none"> <li>• individuals down to the lowest level member</li> <li>• revocable trusts</li> <li>• irrevocable trusts</li> <li>• estates.</li> </ul> <p><b>Exception:</b> Member contribution provisions do <b>not</b> apply to individual members of an embedded trust or estate.</p>

258 Eligibility Determinations (Continued)

**I Member Contribution Requirements and Joint Operations (Continued)**

<b>IF the member is....</b>	<b>THEN the member contribution provisions...</b>
joint operation	do <b>not</b> apply to any members unless 1 of the members is a legal entity.  If 1 member of the embedded joint operation is a legal entity, follow the provision for the members who are legal entities.

**J Member Contribution Requirements for Estates and Trusts**

Member contribution requirements do **not** apply to an estate, revocable trust, or irrevocable trust, unless the estate or trust is a member of a legal entity with members, such as the following:

- corporation
- limited partnership
- individual operating as a small business
- LLC using EIN.

This table provides guidance for the applicability of member contribution requirements for estates and trusts.

<b>IF the payment entity is...</b>	<b>AND the member is...</b>	<b>THEN member contribution requirements...</b>
<ul style="list-style-type: none"> <li>• revocable trust</li> <li>• irrevocable trust</li> <li>• estate</li> </ul>		do <b>not</b> apply to any member of the organizational structure.
legal entity with members, including: <ul style="list-style-type: none"> <li>• corporation</li> <li>• limited partnership</li> <li>• individual operating as small business</li> <li>• LLC using EIN</li> </ul>	revocable trust	<ul style="list-style-type: none"> <li>• apply to the trust or estate</li> <li>• do <b>not</b> apply to the individual members of the embedded trust or estate.</li> </ul>
	irrevocable trust	
	estate	
joint operation		do <b>not</b> apply to any members unless 1 of the members is a legal entity. See subparagraph I.

## 259 Corporation, LLC, LLP, and LP Case Examples

## A Example 1

**Situation:** Corporation XYZ rents 3,000 acres of land for 1/3 share of the crop.

- Corporation XYZ contributes a significant amount of capital to the operation.
- Corporation XYZ hires the majority of all labor necessary for the operation.
- All 3 stockholders provide the balance of the labor needed.
- All 3 stockholders meet regularly during the crop year and all management decisions are made jointly during these meetings.
- Each stockholder has defined responsibilities, such as marketing, field operations and equipment, and financing and daily business activities.
- Each stockholder is on-site almost every day during the crop year.
- The corporation's share of the profits or losses from the farming operation is commensurate with the corporation's contributions and the contributions are at risk for a loss.

**Determination:** Corporation XYZ made a significant contribution of capital. All 3 stockholders collectively made a significant contribution of active personal management to the farming operation. Corporation XYZ is, therefore, considered actively engaged in farming. Each stockholder contributed active personal labor and active personal management to the farming operation on a regular basis, identifiable and documentable, and each stockholder's contribution was separate and distinct from contributions made by the other stockholder. No payment reduction will be applied to the program payments received by Corporation XYZ.



## 259 Corporation, LLC, LLP, and LP Case Examples (Continued)

**B Example 2**

**Situation:** Corporation AB consists of Father A and Son B, each having a 50 percent share. Corporation AB cash-rents land.

- Father A is a retired farmer who created the corporation for tax reasons and to aid in the transfer of the farm to Son B.
- The corporation contributes a significant amount of capital and equipment to the farming operation.
- Son B contributes both active personal labor and active personal management to the farming operation.
- Father A lives on the farm and contributes no active personal labor, but periodically advises Son B about farm-related matters.

**Determination:** Corporation AB provides significant contributions of capital and equipment, and Son B makes a significant contribution of active personal labor and active personal management to the farming operation. Corporation AB is considered actively engaged in farming; however, because Father A who holds a 50 percent ownership interest failed to make a contribution of active personal labor and/or active personal management to \*--the farming operation that met the requirement of subparagraph 258 B, Corporation AB--\* will be subject to a 50 percent reduction in program payments received.

**C Example 3**

**Situation:** Corporation GH consists of Spouse G owning 70 percent of the corporate stock and Spouse H owning 30 percent of the corporate stock.

- Corporation GH provides all the capital, equipment, and leased land for the farming operation.
- Spouse G provides all of the active personal labor and active personal management necessary for the farming operation.

**Determination:** Corporation GH is actively engaged in farming through the contributions of the corporation and Spouse G. Even though Spouse H failed to make any contributions of active personal labor, active personal management, or a combination thereof, the \*--exception applicable to spouses in subparagraph 258 C applies. No payment reduction--\* will be applied to Corporation GH.

## 259 Corporation, LLC, LLP, and LP Case Examples (Continued)

**D Example 4**

**Situation:** Revocable Trust E is a stockholder in Corporation D with 2 other individuals.

\*--Member contribution requirements of subparagraph 258 B apply to Corporation D.--\*

- The 2 individuals provide significant contributions of active personal labor and/or active personal management to qualify the corporation as actively engaged in farming.
- The revocable trust's grantor makes no contributions.

**Determination:** Corporation D is considered actively engaged in farming because of the significant contribution of active personal labor and active personal management to the farming operation by the 2 individuals who are stockholders. However, because the remaining stockholder, Trust E, failed to make a contribution of active personal labor and/or active personal management to the farming operation that met the requirement of

\*--subparagraph 258 B, Corporation D will be subject to a reduction in program payments--\* commensurate with the ownership interest held by Trust E.

If the grantor of Trust E was making contributions of active personal labor and/or active personal management to the farming operation on behalf of Trust E that met the requirement \*--of subparagraph 258 B, a payment reduction would **not** apply for Corporation D.--\*

**E Example 5**

**Situation:** Irrevocable Trust E is a stockholder in Corporation D with 2 other individuals.

\*--Member contribution requirements of subparagraph 258 B apply to Corporation D.--\*

- The 2 individuals provide significant contributions of active personal labor and/or active personal management to qualify the corporation as actively engaged in farming.
- The irrevocable trust's beneficiaries make no contributions.

**Determination:** Corporation D is considered actively engaged in farming because of the significant contribution of active personal labor and active personal management to the farming operation by the 2 individuals who are stockholders. However, because the remaining stockholder, Trust E, failed to make a contribution of active personal labor and/or active personal management to the farming operation that met the requirement of

\*--subparagraph 258 B, Corporation D will be subject to a reduction in program payments--\* commensurate with the ownership interest held by Trust E.

If the beneficiaries of Trust E were making collective contributions of active personal labor and/or active personal management to the farming operation on behalf of Trust E that met \*--the requirement of subparagraph 258 B, a payment reduction would **not** apply for--\* Corporation D.

## 259 Corporation, LLC, LLP, and LP Case Examples (Continued)

**F Example 6**

**Situation:** Estate E is a stockholder in Corporation D with 2 other individuals. Member  
\*--contribution requirements of subparagraph 258 B apply to Corporation D.--\*

- The 2 individuals provide significant contributions of active personal labor and/or active personal management to qualify the corporation as actively engaged in farming.
- The estate's representative or heirs make no contributions.

**Determination:** Corporation D is considered actively engaged in farming because of the significant contribution of active personal labor and active personal management to the farming operation by the 2 individuals who are stockholders. However, because the remaining stockholder, Estate E, failed to make a contribution of active personal labor and/or active personal management to the farming operation that met the requirement of  
\*--subparagraph 258 B, Corporation D will be subject to a reduction in program payments--\* commensurate with the ownership interest held by Estate E.

If the heirs or personal representative of Estate E were making collective contributions of active personal labor and/or active personal management to the farming operation on behalf  
\*--of Estate E that met the requirement of subparagraph 258 B, a payment reduction would--\* **not** apply for Corporation D.

**G Example 7**

**Situation:** LLC E is a stockholder in Corporation D with 2 other individuals. Member  
\*--contribution requirements of subparagraph 258 B apply to Corporation D.--\*

- The 2 individuals provide significant contributions of active personal labor and/or active personal management to qualify the corporation (payment entity) as actively engaged in farming.
- LLC's interest holders make no contributions.

**Determination:** Corporation D is considered actively engaged in farming because of the significant contribution of active personal labor and active personal management to the farming operation by the 2 individuals who are stockholders. However, because the remaining stockholder, LLC E, failed to make a contribution of active personal labor and/or active personal management to the farming operation that met the requirement of  
\*--subparagraph 258 B, Corporation D will be subject to a reduction in program payments--\* commensurate with the ownership interest held by LLC E.

If the interest holders of LLC E were making contributions of active personal labor and/or active personal management to the farming operation on behalf of LLC E that met the  
\*--requirement of subparagraph 258 B, a payment reduction would **not** apply for--\* Corporation D.

## 260 Member Contribution Share

### A Determining Member Contribution Share

A member contribution share for a member of a legal entity is necessary only when **both** of the following apply:

- part of the land in the farming operation is owned by the legal entity
- ~~member fails to make contributions according to subparagraph 258 B.~~\*

### B Calculating Member Contribution Share

Calculate the member contribution share as follows:

- total acres of cropland owned by the legal entity, **divided by**
- total acres of cropland operated/included in the legal entity's farming operation.

**Example:** Big Farms LLC has 2 interest holders, Jed and Jared. Neither make any ~~contributions to the farming operation according to subparagraph 258 B.~~\*

Big Farms LLC operates a total of 500 acres. Of that total, 100 acres are owned by Big Farms LLC.

100 acres owned divided by 500 acres total in the farming operation equals a member contribution share of .2000 for Jed and Jared.

### C Calculating Member Contribution Share When a Cropland Factor Is Applicable to the Payment Entity

Calculate the member contribution share when a cropland factor is involved as follows:

- total cropland owned by the legal entity, **divided by**
- total acres of cropland operated **less** the acres of cropland responsible for the cropland factor applied to the payment entity.

## 260 Member Contribution Share (Continued)

**C Calculating Member Contribution Share When a Cropland Factor Is Applicable to the Payment Entity (Continued)**

**Example:** Hawkeye Ag LLC has 2 interest holders, John and Jake, with equal shares. Hawkeye Ag LLC operates a total of 1,500 acres of land comprised of 500 acres owned, 500 acres share-rented, and 500 acres cash-rented.

John meets member contribution provisions. Jake does **not** meet member contribution provisions according to subparagraph 258 B and is only eligible for share of payments on the owned land.

Hawkeye Ag LLC earned \$30,000, but failed to meet the cash-rent tenant provisions according to subparagraph 258 B.--\*

Both a cropland factor for Hawkeye Ag LLC and a member contribution share for Jake must be calculated and applied.

Calculate the cropland factor according to subparagraph 94 D as follows:

- total cropland acres owned plus acres **not** cash-rented, **divided by**
- total cropland acres in the farming operation.

500 acres owned plus 500 acres share-rented divided by 1,500 acres in the farming operation of Hawkeye Ag LLC equals a factor of .6666. This factor will be applied to the total payments earned of \$30,000 for a payment reduction of \$10,000 ( $30,000 \times .6666 = 20,000$ ;  $30,000 - 20,000 = 10,000$ ).

The failure of Hawkeye Ag LLC in meeting the cash-rent tenant provision will result in a payment reduction of \$10,000 applied to the entity.

**The acres of cropland responsible for the cropland factor applied at the entity level will not be included in the calculation of the member contribution share.**

Calculate the member share contribution for Jake as follows: 500 acres owned by Hawkeye Ag divided by 1,000 acres (1,500 acres total minus 500 acres cash-rented) equals a member contribution share of .5000.

- For John, the member contribution flag will be set to “Y”.
- For Jake, the member contribution flag will be set to “P” and the member contribution factor of .5000 will be entered.

261 Completing CCC-902E's for Corporations, LLC's, LLP's, and LP's

A Completing CCC-902E's

For detailed instructions on completing CCC-902E's, see paragraph 311.

B Example of CCC-902E

Following is an example of CCC-902E completed for a corporation.

This form is available electronically. (See Page 5 for Privacy Act and Paperwork Reduction Act Statements)					
CCC-902E (09-28-20)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation				
<b>FARM OPERATING PLAN FOR AN ENTITY</b>					
For "actively engaged in farming" and other payment eligibility/limitation determinations.	1. County Texas				
	2. State OK				
	3. Program Year 2020				
This form is to be completed for a legal entity, including a joint operation, that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the entity that receives program benefits directly using the tax identification number listed in Part A. This form also collects information about the members of such entity. A person who receives program benefits directly as an individual must complete a CCC-902I with respect to that person's operation. Payment eligibility is based upon the contribution of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the entity listed in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.					
<b>PART A - ENTITY INFORMATION</b>					
1. Farming Entity's Name and Address (Include Zip Code) J&J Farm and Ranch LLC N 10500 Rd Panhandle, OK XXXXX-XXXX	2. Tax Identification Number (If the taxpayer identification Number is already on file with FSA, only the last 4 digits are required) XXXX				
	3. Date of Formation (MM-DD-YYYY) 01-10-2014				
<b>PART B - TYPE OF OPERATION (Select only one)</b>					
1. Select appropriate type of operation that defines the entity identified in Part A:					
<input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Estate <input type="checkbox"/> Indian Tribe <input type="checkbox"/> Joint Venture <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Charitable/Tax-exempt Organization <input type="checkbox"/> Sole Proprietorship/DBA <input type="checkbox"/> Revocable/Living Trust <input type="checkbox"/> Public School <input type="checkbox"/> Other: _____ <input type="checkbox"/> Corporation <input type="checkbox"/> Irrevocable Trust <input type="checkbox"/> City, County or State-owned Entity					
2. Trust documents for an Irrevocable Trust are required to be provided. Other supporting documentation (such as articles of incorporation, partnership agreement, evidence of heirship, and operational authorities of all shareholders, members and owners) may be required, except for public schools, States, State entities, cities, and counties, to verify the legal status of the entity and the authority of its shareholders, members or owners to the satisfaction of CCC.					
<b>PART C - MEMBER INFORMATION (Use CCC-902E Continuation if additional space is needed for any information in Part C)</b>					
1. Members - List all members/shareholders/beneficiaries/heirs/partners of the entity identified in Part A of this form:					
A. Name	B. Tax ID Number (Last 4 digits if already on file)	C. % Share	D. Position and Salary (if applicable)	E. Family Member Relationship* (if applicable)	F. Does this member have signature authority for the legal entity? (Yes or No)
Jane Hardesty	XXXX	50	Interest Holder \$ 0	Parent	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
June Hardesty	XXXX	50	Interest Holder \$ 0	Child	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
* Family member means great grandparent, grandparent, parent, spouse, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1 <sup>st</sup> cousin, niece, nephew, aunt, uncle of family member in the farming operation (see definition on page 6).					
2. If the entity in Part A is an Estate or Trust, or if any member/shareholder is listed above is an Estate or Trust, list the Executor, Administrator, or Grantor:					
A. Name of Estate or Trust			B. Name of Executor/Administrator/Grantor		
3. Embedded Entities - If any member/shareholder of the entity identified in Part A is an entity, a CCC-901, Member's Information, must also be completed and submitted concurrent with this CCC-902E. Additionally, a CCC-902E must be completed and submitted for each embedded entity.					
<input type="checkbox"/> Check if CCC-901 is attached. <input type="checkbox"/> Check if CCC-902E is attached for an embedded entity.					

261 Completing CCC-902E's for Corporations, LLC's, LLP's, and LP's (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): J&J Farm and Ranch LLC			Page 2 of 6					
4. Minor Members or Shareholders – For any Member or Shareholder who is a minor, provide the following: <input checked="" type="checkbox"/> N/A										
A. Minor's Name	B. Date of Birth	C. Parent's or Guardian's Name	D. Parent's or Guardian's Address	E. Parent or Guardian's SSN or Tax ID Number (Last 4 digits if already on file)						
F. Separate Status of Minors:										
(1) Is any minor a producer on a farm in which the parent or guardian has no interest? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(2) Does any minor maintain a separate household from the parent or guardian and personally carry out farming Activities with respect to the minor's farming operation, including maintaining separate accounting? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(3) Does any minor who is represented by a court-appointed guardian or conservator responsible for the minor a) live in a household other than the parents' household(s), and b) have a vested ownership in the farm? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(4) If any minor with an interest in this farming operation can answer "YES" to Items F(1) through F(3), list that minor's name:										
5A. Citizenship Status - Is each Member and Shareholder of the entity or joint operation identified in Part A, and any embedded entity identified in Part C a U.S. Citizen?										
<input checked="" type="checkbox"/> YES, all members/shareholders are US Citizens - Go to Part D										
<input type="checkbox"/> NO, one or more members/shareholders is not a US Citizen - Complete Item 5B										
5B. For each member or shareholder (direct or embedded) who is not a US Citizen, provide the following:										
(1) Name of Individual		(2) This individual has a valid Form I-551		FOR FSA USE ONLY						
				Form I-551 Presented to FSA		CCC Initials				
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
<b>PART D - SUMMARY OF CONTRIBUTIONS TO THE FARMING OPERATION</b>										
1. For the farming operation of the entity identified in Part A, what percentages of the overall inputs will be contributed directly by the Entity? Enter the following information for contributions to be made by the entity identified in Part A. <i>These percentages should reflect the capital provided directly by the legal entity; land and equipment owned and/or cash leased by the legal entity and used in the farming operation; labor hired by the legal entity; and management hired by the legal entity. (Provide detailed information about these contributions in Items A through E.)</i>										
A. Capital	B. Land	C. Equipment	D. Hired Labor	E. Hired Management						
100 %	100 %	100 %	80 %	0 %						
2. For the farming operation of the entity identified in Part A, what percentages of the following farm inputs will be contributed by the Members listed in PART C? Enter the following information for the contributions to be made by the members. <i>These percentages should reflect any capital originating from members' funds rather than from the entity; land and equipment owned or obtained by the member(s) and contributed to this farming operation without compensation to the member(s); labor and management hired by the members for the entity; and labor and management performed personally by the member(s) for the benefit of the farming operation identified in Part A. (Provide information about these contributions in Items B through H).</i>										
A. Member's Name	B. Capital (Current Year) %	C. Land %	D. % of Owned Land	E. Equipment %	F. % of Owned Equipment	G. Labor (%)			H. Management (%)	
						Hired	Active Personal	Check if 1000 Hours	Hired	Active Personal
Jane Hardesty							15	<input type="checkbox"/>		60
Julia Hardesty							5	<input type="checkbox"/>		40
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		

For additional space, use and attach CCC-902E Continuation

261 Completing CCC-902E's for Corporations, LLC's, LLP's, and LP's (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>J&amp;J Farm and Ranch LLC</u>			Page 3 of 6			
<b>PART E - LAND</b>								
1. Land: Enter the following information for ALL land in the farming operation of the entity identified in Part A. <i>If land is cash leased from an individual or entity that has an interest in the crop or crop proceeds, include the rental rate in \$/acre in Column F; otherwise enter "cash."</i> (For additional space, complete CCC-902 Continuation and attach to this form)								
A. Farm No. and Location <i>(County and State)</i>	B. Land Leased or Contributed By	C. Check as applicable			D. Name of Person or Entity Whom Land is Leased to and/or from <i>(Includes names of landowners and landlords)</i>	E. Acres Owned or Leased	F. Rental Rate \$ per Acre/ % or Crop Share	G. Check here if same land interest was held last year
		Owned	Leased To	Leased From				
Farm No.: 389 Location: Texas, OK	J&J Land and Cattle LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Gymon Investments Inc	1239.0	cash	<input checked="" type="checkbox"/>
Farm No.: 509 Location: Morton, KS	J&J Land and Cattle LLC	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		670.0		<input checked="" type="checkbox"/>
Farm No.: Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Farm No.: Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Farm No.: Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
<b>PART F - CAPITAL SOURCES and USES</b>								
1. Indicate the source(s) of all farming capital for the entity identified in Part A? <i>(Check ALL that apply.)</i> <input checked="" type="checkbox"/> Non-borrowed capital <input type="checkbox"/> Private loans/credit <input checked="" type="checkbox"/> FSA program payments from this crop year <input checked="" type="checkbox"/> Commercial loans/credit <input type="checkbox"/> Other: _____								
2. Will contributions of capital, farming equipment or land be acquired as a result of a loan or credit arrangement? <input checked="" type="checkbox"/> YES go to Item 3 <input type="checkbox"/> NO go to Part G								
3. Will such loan or credit be acquired from, guaranteed by, co-signed by, or secured by an individual, joint operation or entity that has an interest in the farming operation identified in Part A <i>(Such interest may be as a landowner or other tenant)?</i> <input type="checkbox"/> YES. Complete Items 3(A) through 3(E) <input checked="" type="checkbox"/> NO. Go to Part G								
A Type of Contribution	B Name of Loan or Credit Source	C Guarantor's Name		D Credit Source or Guarantor's Affiliation or Interest in the Farming Operation	E Percent of Total Capital			
					%			
					%			
					%			
<b>PART G - EQUIPMENT <i>(All percentages are based on annual rental values.)</i></b>								
1. <b>Owned Equipment:</b> Enter the percent of ALL equipment owned by the farming operation of the entity identified in Part A that will be used on the farms identified in Part C by the entity: _____ %								
2. <b>Leased Equipment:</b> Enter the following information for ALL leased equipment to be used in the farming operation of the entity identified in Part A. If leased equipment is not used in this farm operation, enter 0%.								
A. Percent of Total Equipment Used in the Farming Operation	B. Name of Individual/Entity Equipment is Leased From	C. Type of Equipment Leased		D. Does the Individual/Entity the equipment is leased from have an interest in this farming operation?				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
3. <b>Lease Agreements:</b> If Item 2D is "YES," copies of lease agreement and documentation may be required for compliance purposes. GO TO Part H.								



261 Completing CCC-902E's for Corporations, LLC's, LLP's, and LP's (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): J&J Farm and Ranch LLC		Page 4 of 6
<b>PART H - CUSTOM SERVICES</b>				
1. Will custom services be utilized by the entity identified in Part A on the farms listed in Part E? <input type="checkbox"/> NO. GO TO PART I <input checked="" type="checkbox"/> YES. Complete Items 1A through 1D.				
A. Type of Services	B. Farm Number(s)	C. Number of Acres	D. Name of Provider	
Custom Harvest - Wheat	389	1238.0	Brewster and Son Harvesting	
<b>PART I - LABOR NOT PROVIDED BY MEMBERS/SHAREHOLDERS IDENTIFIED IN PART C</b>				
For the farms listed in Part E, enter the information for contributions of labor to the farming operation that will not be provided by the members or shareholders listed in Part C:				
Type			Amount	
1. <b>Other labor:</b> Enter the percentage or the number of hours to be donated by family members or others for which no payment will be issued or owed.			0 %	hrs
2. <b>Hired labor:</b>				
A. Will any of the hired labor for the farming operation identified in Part A originate from the same source as the leased equipment in Part G? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
B. Will any of the hired labor for the farming operation identified in Part A be included in the custom services shown in Part H? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
<b>PART J - MANAGEMENT</b>				
Enter all managerial duties and/or activities required for the farming operation identified in Part A which will be provided personally by member(s) or shareholder(s) of the entity or joint operation; or by hired management.				
1. <b>Active personal management:</b>				
List each member or shareholder in column A; the specific managerial duties/activities that will be performed personally by each member or shareholder in column B. For nonfamily member operations only, complete items in column C to include the amount of time expended annually, either in hours or as a percentage of the total management hours required for the farming operation.				
A. Member/Shareholder	B. Duties/Activities	C. Time Expended Annually <i>(For nonfamily member operations only)</i>		
Jane Hardesty	Crops, equipment, irrigation, financing, cattle	hrs	%	
Julia Hardesty	Bookkeeping, financing, insurance, FSA business	hrs	%	
		hrs	%	
		hrs	%	
		hrs	%	
		hrs	%	
<b>For additional space, use and attach CCC-902E Continuation</b>				
2. <b>Hired management:</b> Enter the percentage of hired management contributed to the farming operation. Describe any hired management duties/activities that will be provided by someone other than a member or shareholder. <i>(Include management by an administrator or trustee who receives compensation for this service or activity):</i>			Amount	
			%	
3. <b>Other management:</b> Enter the percentage of other management contributed to the farming operation. Describe any non-compensated management that will be provided by someone other than a member or shareholder. <i>(Include management by an administrator or trustee who does not receive compensation for this activity):</i>			%	
			%	

261 Completing CCC-902E's for Corporations, LLC's, LLP's, and LP's (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20) Name of Entity (as identified in Part A): J&J Farm and Ranch LLC Page 5 of 6

**PART K - REMARKS**

Check all of the following that apply:

CCC-902 Continuation attached for additional information for Part E - Land

CCC-902E Continuation attached for additional information for the following Parts:

Part C – Member information

Part D – Summary of Contributions

Part F – Capital

Part G – Equipment

Part H – Custom Services

**PART L - CERTIFICATION - (FOR JOINT VENTURES AND GENERAL PARTNERSHIPS, A SIGNATURE IS REQUIRED FOR EACH MEMBER)**

I certify that all the information entered on this document and any supporting documentation is true and correct. I understand that furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation. By signing this form, I acknowledge that:

- all supporting documentation has been submitted as required
- I have reviewed and understand all definitions and requirements on Page 6 of this form.
- all information will be considered in effect continuously unless changes or revisions are submitted.
- it is my responsibility to timely notify FSA in writing of any changes that may affect these representations, including, but not limited to: the composition of the entity identified in Part A; the farming, ranching or forestry operation of the entity identified in Part A; financial status of the entity identified in Part A.
- evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and I will take all necessary actions to provide such materials to the applicable State or county committee if requested by FSA.
- it is my responsibility to timely notify FSA in writing of any successors who acquire an interest in this farming operation as the result of the death of a member or shareholder.

1. Signature (By)	2. Title/Relationship of Individual Signing in the Representative Capacity	3. Date (MM-DD-YYYY)
	Stockholder	12-13-2019

**NOTE:** The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify the farm operating plan data needed to determine a legal entity's eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.

**Paperwork Reduction Act (PRA) Statement:** This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

## 261 Completing CCC-902E's for Corporations, LLC's, LLP's, and LP's (Continued)

## B Example of CCC-902E (Continued)

CCC-902E (09-28-20)	DEFINITIONS	Page 6 of 6
The following definitions apply to Form CCC-902E.		
<ol style="list-style-type: none"> <li>1. <b>ACTIVELY ENGAGED IN FARMING</b> – means providing both: 1) significant contributions of capital, equipment, or land, or combination thereof to the farming operation; and 2) significant contributions of active personal labor or active personal management, or a combination thereof, to the farming operation as described. Further, for a person or legal entity to be considered actively engaged in farming for program payment purposes, the contributions of the person or legal entity must be at-risk and commensurate with the person's or legal entity's claimed share of the profit and loss of the farming operation. Failure to meet these requirements will result in the determination of ineligibility for payments under programs specified in 7 CFR Part 1400.</li> <li>2. <b>INTEREST IN A FARMING OPERATION</b> – a person or legal entity is considered to have an interest in a particular farming operation if the person or legal entity owns or rents land to or from that farming operation; has an interest in the agricultural commodities produced on the operation; or is a member of a joint operation that either owns or rents land to or from the farming operation, or has an interest in the agricultural commodities produced on that operation.</li> <li>3. <b>JOINT OPERATION</b> - is a general partnership, joint venture, or similar organization.</li> <li>4. <b>PERSON</b> – is a natural person (an individual) and does not include a legal entity.</li> <li>5. <b>ACTIVE PERSONAL LABOR</b> – a person is considered to be providing active personal labor with respect to a farming operation if that person is directly and personally providing physical activities necessary to conduct the farming operation, including land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities in the farming operation. Other qualifying physical activities include establishing and maintaining conserving covers and those physical activities necessary for livestock production for the farming operation.</li> <li>6. <b>ACTIVE PERSONAL MANAGEMENT</b> – a person is considered to be providing active personal management with respect to a farming operation if that person is directly and personally providing the general supervision and direction of activities and labor involved in the farming operation; or providing services (whether performed on-site or off-site) reasonably related and necessary to the farming operation. The management activities must be critical to the profitability of the farming operation and performed under one or more of the following categories: 1) <u>Capital</u> which includes arranging financing and managing capital; acquiring equipment; acquiring land and negotiating leases; managing insurance and participating in USDA programs; 2) <u>Labor</u> which includes hiring and managing of hired labor; 3) <u>Agonomics and marketing</u> which includes selecting crops and making planting decisions; acquiring and purchasing of crop inputs; managing crops and making harvesting decisions; pricing and marketing of crop production.</li> <li>7. <b>CAPITAL</b> – with respect to a farming operation is the funding provided by a person or legal entity to the farming operation in order for such operation to conduct farming activities. To be considered a countable contribution for a person or legal entity, the capital must have been derived from a fund or account separate and distinct from that of any other person or entity involved in such operation. Countable capital does not include the value of any labor or management which is contributed to the farming operation. A capital contribution may be a direct out-of-pocket input of a specified sum or an amount borrowed by the person or entity. Capital does not include advance program payments.</li> <li>8. <b>CONTRIBUTION</b> – with respect to a farming operation, is providing land, capital or equipment assets, and providing active personal labor, or active personal management to the farming operation in exchange for, or with the expectation of, deriving benefits based solely on the success of the farming operation. Contributions must be "significant".</li> <li>9. <b>CUSTOM SERVICES</b> – with respect to a farming operation is the hiring of a contractor or vendor that is in the business of providing such specialized services to perform services for the farming operation in exchange for the payment of a fee for such services performed.</li> <li>10. <b>ENTITY</b> - is a corporation, joint stock company, limited liability company, association, limited partnership, limited liability partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any such organization participating in the farming operation as a partner in a general partnership, participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.</li> <li>11. <b>EQUIPMENT</b> – with respect to a farming operation is the machinery and implements needed by the farming operation to conduct activities of the farming operation including machinery and implements involved in land preparation, planting, cultivating, harvesting or marketing of the crops produced by the farming operation. Equipment also includes machinery and implements needed to establish and maintain conserving covers.</li> <li>12. <b>FAMILY MEMBER</b> – a person is considered to be a family member of another person in the farming operation if that person is related to the other person as a lineal ancestor, lineal descendant, sibling, 1st cousin, niece, nephew, spouse, or otherwise by marriage. This relationship includes great grandparent, grandparent, parent, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1st cousin, niece, nephew, aunt, uncle or spouse of family member in the farming operation.</li> <li>13. <b>FARMING ENTITY</b> – is the entity, including a combination of entities, conducting a farming operation at one or more locations.</li> <li>14. <b>FARMING OPERATION</b> - is a business enterprise engaged in the production of agricultural products which is operated by a person or formal or informal entity which is eligible to receive payments, directly or indirectly.</li> <li>15. <b>LAND</b> – with a respect to a contribution to a farming operation is agricultural land consisting of cropland, pastureland, wetland, or rangeland which meets the specific requirements of the applicable program for which payments or benefits are sought.</li> <li>16. <b>SUPPORTING DOCUMENTATION</b> – is any information that supports the relevant representations made such as, but not limited to: articles of incorporation; corporate meeting minutes; stock certificates; organizational papers; trust agreement; last will or testament or a deceased individual; affidavit of heirship approved by Office of General Counsel; partnership agreement; property lease agreement; purchase agreement; land deed; lending security agreement; and financial statement.</li> <li>17. All other terms utilized in this form shall be defined pursuant to 7 CFR Part 1400.</li> </ol>		

262-270 (Reserved)



## Section 6 Estates

## 271 Actively Engaged in Farming Determinations [7 CFR 1400.206]

## A General Rule

For 2 program years **after** the program year in which a person dies, the person's estate must be considered to be actively engaged in farming if **all** of the requirements in this table are met.

Item	Requirement
1	The estate separately makes a significant contribution of capital, equipment, land, or a combination thereof.
2	The personal representative (executor, administrator, etc.) or heirs of the estate collectively make a significant contribution of active personal labor, active personal management, or combination thereof, to the farming operation.  <b>Note:</b> Notification of interests and disclosure requirements in paragraphs 111 through 113 apply to all estates and all heirs of estates.
3	The estate's share of the profits or losses from the farming operation is commensurate with the contribution to the farming operation.
4	The estate's contributions are at risk.

**Notes:** See paragraph 203 for the incapacitated person rule.

See 1-CM and 11-CM, Exhibit 10 for estate EIN requirements.

Landowners will be considered Actively Engaged in Farming on owned land according to paragraph 152 even though the above contributions are not being made. Cropland factors may apply.

## B Rule for Estates in Existence Longer Than 2 Years

Following the period of 2 program years after the program year in which a person dies, the deceased person's estate must **not** be considered to be actively engaged in farming **unless**, on a case-by-case basis, COC determines that the estate is still active.

## 271 Actively Engaged in Farming Determinations [7 CFR 1400.206] (Continued)

**C Required COC Reviews and Determinations**

On an annual basis, COC is required to:

- identify all estates that have received an actively engaged in farming determination for more than 2 program years
- review all supporting documentation provided by an authorized representative on behalf of the estate
- determine whether the estate has proven it is active for the current year.

Information provided by an authorized representative of the estate for this **required** COC review may include, but is **not** limited to, the following:

- Letter of Testamentary issued by the court within the last 12 months
- prior year tax return or applicable IRS forms
- written explanation from the executor, administrator, or legal counsel for the estate.

If an estate fails to prove it is active, the estate must be:

- determined ineligible for current and subsequent years program benefits
- provided written notice of COC's ineligibility determination
- given appeal rights according to 1-APP.

If an estate is found to be inactive or will not be participating in programs that are subject to payment limitation/payment eligibility, the County Office will follow 3-PL (Rev. 2) to update the Business File for the estate. When a closed estate is an embedded member, partner, or stockholder of a legal entity or joint operation, contact the representative of the legal entity or joint operation to obtain updated information about the organizational structure of the operation.

**D DD Review of Estates in Existence Longer Than 2 Years**

For active estates that have received an actively engaged in farming determination for more than 2 program years, DD **must**:

- review COC findings
- concur with the determination for the estate to be recognized as eligible
- annually provide a report to the State Office of all estates that have had reviews and determinations made by COC.

**271 Actively Engaged in Farming Determinations [7 CFR 1400.206] (Continued)****E State Office Review of Estates in Existence Longer Than 2 Years**

Effective for 2014 and subsequent years, State Offices must:

- collect reports from all DD's
- consolidate information for future reporting purposes to DAFP, SND
- report the completion of the reviews to the National Program Manager.

**272 Case Examples****A Example 1**

**Situation:** Estate E is formed upon the death of Person E. Person B is the sole heir of the estate and provides a significant amount of active personal management. Estate E provides equipment and rented land. All labor is hired. All contributions are commensurate and are at risk.

**Determination:** Estate E is considered to be actively engaged in farming since the heir, Person B, has provided a significant amount of active personal management and the estate has provided equipment and land.

**B Example 2**

**Situation:** Estate C is formed upon the death of Person C. The heirs are Persons E, F, and G, each having a 1/3 interest. Person E will serve as executor for the estate.

- **Before** the death of Person C, Person C owned equipment and all of the acreage farmed was cash-leased.
- For the current year, Estate C will cash-lease land. Estate C will contribute a significant amount of cash-rented land, owned equipment, and capital for the farming operation.
- Person E will provide a significant amount of active personal management with the estate hiring all labor.
- All contributions are commensurate and are at risk.

**Determination:** Estate C is considered to be actively engaged in farming and eligible for program benefits. The cash rent tenant rule is met by the estate providing a significant contribution of equipment and the executor, Person E, providing a significant contribution of active personal management.

273 Completing CCC-902E's for Estates

A Completing CCC-902E's

For detailed instructions on completing CCC-902E's, see subparagraph 311 A.

B Example of CCC-902E

Following is an example of CCC-902E completed for an estate.

This form is available electronically. <span style="float: right;">(See Page 5 for Privacy Act and Paperwork Reduction Act Statements)</span>					
CCC-902E (09-28-20)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation				
<b>FARM OPERATING PLAN FOR AN ENTITY</b>					
For "actively engaged in farming" and other payment eligibility/limitation determinations.					
1. County Texas	3. Program Year 2020				
2. State OK					
This form is to be completed for a legal entity, including a joint operation, that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the entity that receives program benefits directly using the tax identification number listed in Part A. This form also collects information about the members of such entity. A person who receives program benefits directly as an individual must complete a CCC-902I with respect to that person's operation. Payment eligibility is based upon the contribution of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the entity listed in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.					
<b>PART A - ENTITY INFORMATION</b>					
1. Farming Entity's Name and Address (Include Zip Code) Jay Bird Estate S 900 Rd Panhandle, OK XXXXX-XXXX	2. Tax Identification Number (If the taxpayer identification Number is already on file with FSA, only the last 4 digits are required) XXXX				
3. Date of Formation (MM-DD-YYYY) 01-10-2014					
<b>PART B - TYPE OF OPERATION (Select only one)</b>					
1. Select appropriate type of operation that defines the entity identified in Part A: <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Estate <input type="checkbox"/> Indian Tribe <input type="checkbox"/> Joint Venture <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Charitable/Tax-exempt Organization <input type="checkbox"/> Sole Proprietorship/DBA <input type="checkbox"/> Revocable/Living Trust <input type="checkbox"/> Public School <input type="checkbox"/> Corporation <input type="checkbox"/> Irrevocable Trust <input type="checkbox"/> City, County or State-owned Entity <input type="checkbox"/> Other: _____					
2. Trust documents for an Irrevocable Trust are required to be provided. Other supporting documentation (such as articles of incorporation, partnership agreement, evidence of heirship, and operational authorities of all shareholders, members and owners) may be required, except for public schools, States, State entities, cities, and counties, to verify the legal status of the entity and the authority of its shareholders, members or owners to the satisfaction of CCC.					
<b>PART C - MEMBER INFORMATION (Use CCC-902E Continuation if additional space is needed for any information in Part C)</b>					
1. Members - List all members/shareholders/beneficiaries/heirs/partners of the entity identified in Part A of this form:					
A. Name	B. Tax ID Number (Last 4 digits if already on file)	C. % Share	D. Position and Salary (if applicable)	E. Family Member Relationship* (if applicable)	F. Does this member have signature authority for the legal entity? (Yes or No)
Jannette Bird	XXXX	100	Heir \$ 0	Spouse	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
* Family member means great grandparent, grandparent, parent, spouse, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1 <sup>st</sup> cousin, niece, nephew, aunt, uncle of family member in the farming operation (see definition on page 6).					
2. If the entity in Part A is an Estate or Trust, or if any member/shareholder is listed above is an Estate or Trust, list the Executor, Administrator, or Grantor:					
A. Name of Estate or Trust Jay Bird Estate			B. Name of Executor/Administrator/Grantor Red Bird		
3. Embedded Entities - If any member/shareholder of the entity identified in Part A is an entity, a CCC-901, Member's Information, must also be completed and submitted concurrent with this CCC-902E. Additionally, a CCC-902E must be completed and submitted for each embedded entity.					
<input type="checkbox"/> Check if CCC-901 is attached. <input type="checkbox"/> Check if CCC-902E is attached for an embedded entity.					



273 Completing CCC-902E's for Estates (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): Jay Bird Estate			Page 2 of 6					
4. Minor Members or Shareholders – For any Member or Shareholder who is a minor, provide the following: <input checked="" type="checkbox"/> N/A										
A. Minor's Name	B. Date of Birth	C. Parent's or Guardian's Name	D. Parent's or Guardian's Address	E. Parent or Guardian's SSN or Tax ID Number (Last 4 digits if already on file)						
F. Separate Status of Minors:										
(1) Is any minor a producer on a farm in which the parent or guardian has no interest? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(2) Does any minor maintain a separate household from the parent or guardian and personally carry out farming Activities with respect to the minor's farming operation, including maintaining separate accounting? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(3) Does any minor who is represented by a court-appointed guardian or conservator responsible for the minor a) live in a household other than the parents' household(s), and b) have a vested ownership in the farm? <input type="checkbox"/> YES <input type="checkbox"/> NO										
(4) If any minor with an interest in this farming operation can answer "YES" to Items F(1) through F(3), list that minor's name:										
5A. Citizenship Status - Is each Member and Shareholder of the entity or joint operation identified in Part A, and any embedded entity identified in Part C a U.S. Citizen?										
<input checked="" type="checkbox"/> YES, all members/shareholders are US Citizens - Go to Part D										
<input type="checkbox"/> NO, one or more members/shareholders is not a US Citizen - Complete Item 5B										
5B. For each member or shareholder (direct or embedded) who is not a US Citizen, provide the following:										
(1) Name of Individual		(2) This individual has a valid Form I-551		FOR FSA USE ONLY						
				Form I-551 Presented to FSA		CCC Initials				
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
<b>PART D - SUMMARY OF CONTRIBUTIONS TO THE FARMING OPERATION</b>										
1. For the farming operation of the entity identified in Part A, what percentages of the overall inputs will be contributed directly by the Entity? Enter the following information for contributions to be made by the entity identified in Part A. These percentages should reflect the capital provided directly by the legal entity; land and equipment owned and/or cash leased by the legal entity and used in the farming operation; labor hired by the legal entity; and management hired by the legal entity. (Provide detailed information about these contributions in Items A through E.)										
A. Capital	B. Land	C. Equipment	D. Hired Labor	E. Hired Management						
0 %	0 %	0 %	0 %	0 %						
2. For the farming operation of the entity identified in Part A, what percentages of the following farm inputs will be contributed by the Members listed in PART C? Enter the following information for the contributions to be made by the members. These percentages should reflect any capital originating from members' funds rather than from the entity; land and equipment owned or obtained by the member(s) and contributed to this farming operation without compensation to the member(s); labor and management hired by the members for the entity; and labor and management performed personally by the member(s) for the benefit of the farming operation identified in Part A. (Provide information about these contributions in Items B through H).										
A. Member's Name	B. Capital (Current Year) %	C. Land %	D. % of Owned Land	E. Equipment %	F. % of Owned Equipment	G. Labor (%)			H. Management (%)	
						Hired	Active Personal	Check if 1000 Hours	Hired	Active Personal
Jannette Bird							0	<input type="checkbox"/>		0
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		

For additional space, use and attach CCC-902E Continuation

273 Completing CCC-902E's for Estates (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Jay Bird Estate</u>			Page 3 of 6			
<b>PART E - LAND</b>								
1. Land: Enter the following information for ALL land in the farming operation of the entity identified in Part A. <i>If land is cash leased from an individual or entity that has an interest in the crop or crop proceeds, include the rental rate in \$/acre in Column F; otherwise enter "cash."</i> (For additional space, complete CCC-902 Continuation and attach to this form)								
A. Farm No. and Location (County and State)	B. Land Leased or Contributed By	C. Check as applicable			D. Name of Person or Entity Whom Land is Leased to and/or from (Includes names of landowners and landlords)	E. Acres Owned or Leased	F. Rental Rate \$ per Acre/ % or Crop Share	G. Check here if same land interest was held last year
		Owned	Leased To	Leased From				
Farm No.: 409 Location: Texas, OK	Jay Bird Estate	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	North Texas Partners	364.0	25%	<input checked="" type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
<b>PART F - CAPITAL SOURCES and USES</b>								
1. Indicate the source(s) of all farming capital for the entity identified in Part A? (Check ALL that apply.)								
<input type="checkbox"/> Non-borrowed capital <input type="checkbox"/> Private loans/credit <input type="checkbox"/> FSA program payments from this crop year <input type="checkbox"/> Commercial loans/credit <input type="checkbox"/> Other: _____								
2. Will contributions of capital, farming equipment or land be acquired as a result of a loan or credit arrangement?								
<input type="checkbox"/> YES go to Item 3 <input type="checkbox"/> NO go to Part G								
3. Will such loan or credit be acquired from, guaranteed by, co-signed by, or secured by an individual, joint operation or entity that has an interest in the farming operation identified in Part A (Such interest may be as a landowner or other tenant)?								
<input type="checkbox"/> YES. Complete Items 3(A) through 3(E) <input type="checkbox"/> NO. Go to Part G								
A Type of Contribution	B Name of Loan or Credit Source	C Guarantor's Name		D Credit Source or Guarantor's Affiliation or Interest in the Farming Operation	E Percent of Total Capital			
					%			
					%			
					%			
<b>PART G - EQUIPMENT (All percentages are based on annual rental values.)</b>								
1. <b>Owned Equipment:</b> Enter the percent of ALL equipment owned by the farming operation of the entity identified in Part A that will be used on the farms identified in Part C by the entity: _____ %								
2. <b>Leased Equipment:</b> Enter the following information for ALL leased equipment to be used in the farming operation of the entity identified in Part A. If leased equipment is not used in this farm operation, enter 0%.								
A. Percent of Total Equipment Used in the Farming Operation	B. Name of Individual/Entity Equipment is Leased From	C. Type of Equipment Leased		D. Does the Individual/Entity the equipment is leased from have an interest in this farming operation?				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
3. <b>Lease Agreements:</b> If Item 2D is "YES," copies of lease agreement and documentation may be required for compliance purposes. GO TO Part H.								

273 Completing CCC-902E's for Estates (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Jay Bird Estate</u>		Page 4 of 6
<b>PART H - CUSTOM SERVICES</b>				
1. Will custom services be utilized by the entity identified in Part A on the farms listed in Part E? <input checked="" type="checkbox"/> <b>NO.</b> GO TO PART I <input type="checkbox"/> <b>YES.</b> Complete Items 1A through 1D.				
A. Type of Services	B. Farm Number(s)	C. Number of Acres	D. Name of Provider	
<b>PART I - LABOR NOT PROVIDED BY MEMBERS/SHAREHOLDERS IDENTIFIED IN PART C</b>				
For the farms listed in Part E, enter the information for contributions of labor to the farming operation that will not be provided by the members or shareholders listed in Part C:				
Type			Amount	
1. <b>Other labor:</b> Enter the percentage or the number of hours to be donated by family members or others for which no payment will be issued or owed.			0 %	hrs
2. <b>Hired labor:</b>				
A. Will any of the hired labor for the farming operation identified in Part A originate from the same source as the leased equipment in Part G? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
B. Will any of the hired labor for the farming operation identified in Part A be included in the custom services shown in Part H? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
<b>PART J - MANAGEMENT</b>				
Enter all managerial duties and/or activities required for the farming operation identified in Part A which will be provided personally by member(s) or shareholder(s) of the entity or joint operation; or by hired management.				
1. <b>Active personal management:</b>				
List each member or shareholder in column A; the specific managerial duties/activities that will be performed personally by each member or shareholder in column B. For nonfamily member operations only, complete items in column C to include the amount of time expended annually, either in hours or as a percentage of the total management hours required for the farming operation.				
A. Member/Shareholder	B. Duties/Activities	C. Time Expended Annually <i>(For nonfamily member operations only)</i>		
		hrs	%	
		hrs	%	
		hrs	%	
		hrs	%	
		hrs	%	
		hrs	%	
<b>For additional space, use and attach CCC-902E Continuation</b>				
2. <b>Hired management:</b> Enter the percentage of hired management contributed to the farming operation. Describe any hired management duties/activities that will be provided by someone other than a member or shareholder. <i>(Include management by an administrator or trustee who receives compensation for this service or activity):</i>			Amount	
			%	
3. <b>Other management:</b> Enter the percentage of other management contributed to the farming operation. Describe any non-compensated management that will be provided by someone other than a member or shareholder. <i>(Include management by an administrator or trustee who does not receive compensation for this activity):</i>			%	
			%	
Red Bird, Executor, makes all decision and manages all business affairs for the estate.				

273 Completing CCC-902E's for Estates (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)	Name of Entity (as identified in Part A): <u>Jay Bird Estate</u>	Page 5 of 6
<b>PART K - REMARKS</b>		
<p>Check all of the following that apply:</p> <p><input type="checkbox"/> CCC-902 Continuation attached for additional information for Part E - Land</p> <p><input type="checkbox"/> CCC-902E Continuation attached for additional information for the following Parts:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Part C – Member information</li> <li><input type="checkbox"/> Part D – Summary of Contributions</li> <li><input type="checkbox"/> Part F – Capital</li> <li><input type="checkbox"/> Part G – Equipment</li> <li><input type="checkbox"/> Part H – Custom Services</li> </ul>		
<b>PART L - CERTIFICATION - (FOR JOINT VENTURES AND GENERAL PARTNERSHIPS, A SIGNATURE IS REQUIRED FOR EACH MEMBER)</b>		
<p><i>I certify that all the information entered on this document and any supporting documentation is true and correct. I understand that furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation. By signing this form, I acknowledge that:</i></p> <ul style="list-style-type: none"> <li>• all supporting documentation has been submitted as required</li> <li>• I have reviewed and understand all definitions and requirements on Page 6 of this form.</li> <li>• all information will be considered in effect continuously unless changes or revisions are submitted.</li> <li>• it is my responsibility to timely notify FSA in writing of any changes that may affect these representations, including, but not limited to: the composition of the entity identified in Part A; the farming, ranching or forestry operation of the entity identified in Part A; financial status of the entity identified in Part A.</li> <li>• evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and I will take all necessary actions to provide such materials to the applicable State or county committee if requested by FSA.</li> <li>• it is my responsibility to timely notify FSA in writing of any successors who acquire an interest in this farming operation as the result of the death of a member or shareholder.</li> </ul>		
1. Signature (By)	2. Title/Relationship of Individual Signing in the Representative Capacity	3. Date (MM-DD-YYYY)
	Executor	12-13-2019
<p><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify the farm operating plan data needed to determine a legal entity's eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</p> <p><b>Paperwork Reduction Act (PRA) Statement:</b> This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p> <p><i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i></p> <p><i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiocassette, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</i></p> <p><i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</i></p>		

## 273 Completing CCC-902E's for Estates (Continued)

## B Example of CCC-902E (Continued)

CCC-902E (09-28-20)	<b>DEFINITIONS</b>	Page 6 of 6
The following definitions apply to Form CCC-902E.		
<ol style="list-style-type: none"> <li>1. <b>ACTIVELY ENGAGED IN FARMING</b> – means providing both: 1) significant contributions of capital, equipment, or land, or combination thereof to the farming operation; and 2) significant contributions of active personal labor or active personal management, or a combination thereof, to the farming operation as described. Further, for a person or legal entity to be considered actively engaged in farming for program payment purposes, the contributions of the person or legal entity must be at-risk and commensurate with the person's or legal entity's claimed share of the profit and loss of the farming operation. Failure to meet these requirements will result in the determination of ineligibility for payments under programs specified in 7 CFR Part 1400.</li> <li>2. <b>INTEREST IN A FARMING OPERATION</b> – a person or legal entity is considered to have an interest in a particular farming operation if the person or legal entity owns or rents land to or from that farming operation; has an interest in the agricultural commodities produced on the operation; or is a member of a joint operation that either owns or rents land to or from the farming operation, or has an interest in the agricultural commodities produced on that operation.</li> <li>3. <b>JOINT OPERATION</b> - is a general partnership, joint venture, or similar organization.</li> <li>4. <b>PERSON</b> – is a natural person (an individual) and does not include a legal entity.</li> <li>5. <b>ACTIVE PERSONAL LABOR</b> – a person is considered to be providing active personal labor with respect to a farming operation if that person is directly and personally providing physical activities necessary to conduct the farming operation, including land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities in the farming operation. Other qualifying physical activities include establishing and maintaining conserving covers and those physical activities necessary for livestock production for the farming operation.</li> <li>6. <b>ACTIVE PERSONAL MANAGEMENT</b> – a person is considered to be providing active personal management with respect to a farming operation if that person is directly and personally providing the general supervision and direction of activities and labor involved in the farming operation; or providing services (whether performed on-site or off-site) reasonably related and necessary to the farming operation. The management activities must be critical to the profitability of the farming operation and performed under one or more of the following categories: 1) <b>Capital</b> which includes arranging financing and managing capital; acquiring equipment; acquiring land and negotiating leases; managing insurance and participating in USDA programs; 2) <b>Labor</b> which includes hiring and managing of hired labor; 3) <b>Agronomics and marketing</b> which includes selecting crops and making planting decisions; acquiring and purchasing of crop inputs; managing crops and making harvesting decisions; pricing and marketing of crop production.</li> <li>7. <b>CAPITAL</b> – with respect to a farming operation is the funding provided by a person or legal entity to the farming operation in order for such operation to conduct farming activities. To be considered a countable contribution for a person or legal entity, the capital must have been derived from a fund or account separate and distinct from that of any other person or entity involved in such operation. Countable capital does not include the value of any labor or management which is contributed to the farming operation. A capital contribution may be a direct out-of-pocket input of a specified sum or an amount borrowed by the person or entity. Capital does not include advance program payments.</li> <li>8. <b>CONTRIBUTION</b> – with respect to a farming operation, is providing land, capital or equipment assets, and providing active personal labor, or active personal management to the farming operation in exchange for, or with the expectation of, deriving benefits based solely on the success of the farming operation. Contributions must be "significant".</li> <li>9. <b>CUSTOM SERVICES</b> – with respect to a farming operation is the hiring of a contractor or vendor that is in the business of providing such specialized services to perform services for the farming operation in exchange for the payment of a fee for such services performed.</li> <li>10. <b>ENTITY</b> - is a corporation, joint stock company, limited liability company, association, limited partnership, limited liability partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any such organization participating in the farming operation as a partner in a general partnership, participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.</li> <li>11. <b>EQUIPMENT</b> – with respect to a farming operation is the machinery and implements needed by the farming operation to conduct activities of the farming operation including machinery and implements involved in land preparation, planting, cultivating, harvesting or marketing of the crops produced by the farming operation. Equipment also includes machinery and implements needed to establish and maintain conserving covers.</li> <li>12. <b>FAMILY MEMBER</b> – a person is considered to be a family member of another person in the farming operation if that person is related to the other person as a lineal ancestor, lineal descendant, sibling, 1st cousin, niece, nephew, spouse, or otherwise by marriage. This relationship includes great grandparent, grandparent, parent, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1st cousin, niece, nephew, aunt, uncle or spouse of family member in the farming operation.</li> <li>13. <b>FARMING ENTITY</b> – is the entity, including a combination of entities, conducting a farming operation at one or more locations.</li> <li>14. <b>FARMING OPERATION</b> - is a business enterprise engaged in the production of agricultural products which is operated by a person or formal or informal entity which is eligible to receive payments, directly or indirectly.</li> <li>15. <b>LAND</b> – with a respect to a contribution to a farming operation is agricultural land consisting of cropland, pastureland, wetland, or rangeland which meets the specific requirements of the applicable program for which payments or benefits are sought.</li> <li>16. <b>SUPPORTING DOCUMENTATION</b> – is any information that supports the relevant representations made such as, but not limited to: articles of incorporation; corporate meeting minutes; stock certificates; organizational papers; trust agreement; last will or testament or a deceased individual; affidavit of heirship approved by Office of General Counsel; partnership agreement; property lease agreement; purchase agreement; land deed; lending security agreement; and financial statement.</li> <li>17. All other terms utilized in this form shall be defined pursuant to 7 CFR Part 1400.</li> </ol>		

274-283 (Reserved)



Section 7 Trusts

284 Revocable and Irrevocable Trusts

A Types of Trusts

For payment limitation purposes, there are the following 3 types of trusts.

Trust Type	Characteristics
Revocable	<ul style="list-style-type: none"> <li>• Can be modified or terminated by the grantor, or the assets revert to the grantor after a specific period of time.</li> <li>• Does <b>not</b> meet the criteria for an irrevocable trust.</li> <li>• For payment limitation and payment eligibility determinations, the revocable trust and grantor will be considered the same.</li> <li>• Revocable trusts may become an irrevocable trust upon the death of the grantor(s).</li> <li>• Revocable trusts may be identified by the grantor’s social security number or an employer ID number. Refer to 1-CM and 11-CM.</li> </ul> <p><b>Note:</b> During the lifetime of the grantor of a revocable trust, and while the grantor is serving as trustee of his or her revocable trust, the grantor’s SSN may be used as the revocable trust’s TIN unless otherwise required by State law.</p>
Irrevocable	<ul style="list-style-type: none"> <li>• May <b>not</b> be modified or terminated by the grantor.</li> <li>• The grantor does <b>not</b> have any future, contingent, or remainder interest in the corpus of the trust.</li> <li>• For trusts established after January 1, 1987, does <b>not</b> provide for transferring the corpus of the trust to the remainder beneficiary in less than 20 years from the date the trust is established, <b>except</b> in cases where the transfer is contingent upon the remainder beneficiary achieving at least the age of majority or upon the death of the grantor or income beneficiary.</li> <li>• Irrevocable trusts must be identified by an employer ID number.</li> </ul> <p><b>Note:</b> All trusts <b>not</b> meeting these requirements must be considered revocable trusts.</p>

284 Revocable and Irrevocable Trusts (Continued)

A Types of Trusts (Continued)

Trust Type	Characteristics
IRA's and Employee Profit Sharing Plans	<ul style="list-style-type: none"> <li>• Are a type of bank account authorized by IRS for tax purposes.</li> <li>• May own assets including money and hold title to land.</li> <li>• Can be either a custodial account or trust account.</li> </ul> <p><b>Note:</b> According to IRS regulations, custodial accounts are not trusts and are <b>not</b> an eligible applicant for FSA/CCC/NRCS program benefits.</p> <ul style="list-style-type: none"> <li>• Are created or organized in the United States for the benefit of a person or beneficiaries.</li> <li>• The “instrument” creating the trust must be in writing.</li> <li>• The trustee must be a financial institution or other person. The trust document <b>must</b> give all administrative power and authority to the trustee.</li> <li>• Must obtain an EIN separate from that of any other person or legal entity.</li> </ul> <p><b>Note:</b> See paragraph 285 for determining the IRA or Profit Sharing Plan an eligible program participant.</p>

B Trust Scrutiny

All trusts that receive payments must be carefully scrutinized to ensure that the trusts are legitimate legal entities and have **not** been created solely for the purpose of evading payment limitation provisions.

County Offices must:

- \*--require producers to provide a copy of the trust agreement if:
  - the trust is a revocable trust, and the grantor is deceased
  - the trust is an irrevocable trust--\*
- determine whether provisions are included in the trust that would require the trust to be considered a revocable trust for payment limitation purposes.



## 285 Trust Eligibility Determinations

### A IRA's and Employee Profit Sharing Plans

An IRA or employee Profit Sharing Plan may be considered a valid program participant, as a trust **only**, if the Regional Attorney determines the account:

- meets the definition of “legal entity”
- has full function of a trust
- owns land or an agricultural commodity, or produces an agricultural commodity
- is a member, partner, or stockholder of a legal entity that owns land or an agricultural commodity, or produces an agricultural commodity.

The minimum information submitted for an IRA or Profit Sharing Plan **must** include documentation that:

- discloses the full trust agreement, naming the trust and trustee who will function for the trust about all FSA programs

**Note:** The trustee must be carrying out the duties of managing the trust.

- proves the IRA trust or Profit Sharing Plan owns land, owns an agricultural commodity, or produces an agricultural commodity; or is a member, partner, or stockholder of a legal entity that owns land, owns an agricultural commodity, or produces an agricultural commodity
- IRA or Profit Sharing Plan provides a valid TIN.

### B OGC Approval

Approval from the Regional Attorney is required **before** any eligibility determinations are made or issued. The request must include a brief summary of the information provided for the IRA or Profit Sharing Plan.

**Note:** OGC's opinion is protected from release under attorney/client privileges and should not be released to the participant.

### C IRA/Profit Sharing Plan Ineligibility

An OGC opinion that an IRA or Profit Sharing Plan does not meet the requirements to be an eligible participant or have the full function of a trust, COC or determining authority must:

- determine the IRA or Profit Sharing Plan ineligible on the basis cited by OGC in its opinion
- be notified in writing of the determination and afforded appeal rights according to 1-APP.

286 Trust Actively Engaged in Farming Determinations

A Rule

[7 CFR 1400.205] A irrevocable or revocable trust must be considered to be actively engaged in farming if **all** of the requirements in this table are met.

Item	Requirement
1	The trust separately makes a significant contribution of capital, equipment, land, or a combination thereof.
2	Income beneficiaries that make contributions of active personal labor or active personal management, have a combined interest of at least 50 percent, and collectively make a significant contribution to the farming operation.  <b>Note:</b> Notification of interests and disclosure requirements in paragraphs 111 through 113 apply to all trusts and all beneficiaries of trusts.
3	The trust’s share of the profits or losses from the farming operation is commensurate with the contribution to the farming operation.
4	The trust’s contributions are at risk.
5	The trust has provided TIN of the trust, <b>unless</b> the trust is a revocable trust and either of the following applies:  <ul style="list-style-type: none"> <li>• the grantor is the sole income beneficiary</li> <li>• TIN for the trust is TIN for the co-granter and co-income beneficiary and the other grantor and income beneficiary is their spouse who is <b>not</b> requesting benefits under his or her TIN.</li> </ul>
6	The trust has provided a copy of the trust agreement to COC, <b>unless</b> the trust is a revocable trust.

**Note:** Landowners will be considered Actively Engaged in Farming on owned land according to paragraph 152 even though the above contributions are not being made. Cropland factors may apply.

B Trustee Actions

The personal actions of a trustee, either labor or management, **cannot** be considered as contributions of the trust in meeting the requirement of actively engaged in farming.

**Only** the income beneficiaries of a trust can provide the required, at-risk contributions of active personal labor, active personal management, or combination thereof, for the trust to be considered actively engaged in farming.

## 287 Trust Case Examples

**A Irrevocable Trust Example 1**

**Situation:** EF Trust meets the requirements to be considered an irrevocable trust for payment limitation purposes. The trust, with Persons E and F each having a 50 percent interest, contributes a significant amount of capital to the farming operation. Each beneficiary contributes a significant amount of active personal management. All labor is hired. The land and equipment are leased. The trust's share of the profits or losses from the farming operation is commensurate with the trust's contributions to the operation and the contributions are at risk.

**Determination:** EF Trust is determined actively engaged in farming because the trust provides capital and the beneficiaries, holding at least 50 percent interest, contribute a significant amount of active personal management.

**B Irrevocable Trust Example 2**

**Situation:** The terms of a late spouse's will made certain specific bequests of cash and nonfarm property to persons other than his or her widow. The balance of the estate, including farmland, is distributed to a testamentary trust. The widow has the sole right to the income of the trust during his or her lifetime. At the time of his or her death, the trust is to be terminated and the property distributed to his or her heirs.

**Determination:** Because the widow has the sole right to income of the trust during his or her lifetime, the widow is considered the sole beneficiary. The trust is considered actively engaged in farming because of the landowner provision.

## 287 Trust Case Examples (Continued)

**C Revocable Trust Example**

**Situation:** ST Trust is a revocable trust.

- Person U is the grantor and income beneficiary.
- ST Trust contributes a significant amount of both capital and equipment to the farming operation.
- Beneficiary contributes a significant amount of active personal management to the operation.
- All land is cash leased and all labor is hired.
- The trust's share of the profits or losses from the farming operation is commensurate with its contribution to the operation and the contributions are at risk.

**Determination:** ST Trust is considered to be actively engaged in farming and meets the cash rent tenant provision, through a contribution of equipment and active personal management. For payment limitation purposes, all payments issued to ST Trust will be attributed to Person U as grantor of the trust.

288 Completing CCC-902E's for Trusts

A Completing CCC-902E's

For detailed instructions on completing CCC-902E's, see paragraph 311.

B Example of CCC-902E

Following is an example of CCC-902E completed for a trust.

This form is available electronically. (See Page 5 for Privacy Act and Paperwork Reduction Act Statements)

<p><b>CCC-902E</b> (09-28-20)</p> <p style="text-align: center;"><b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation</p> <p style="text-align: center;"><b>FARM OPERATING PLAN FOR AN ENTITY</b></p> <p>For "actively engaged in farming" and other payment eligibility/limitation determinations.</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">1. County Texas</td> <td style="width:40%;">3. Program Year 2020</td> </tr> <tr> <td>2. State OK</td> <td></td> </tr> </table>	1. County Texas	3. Program Year 2020	2. State OK	
1. County Texas	3. Program Year 2020				
2. State OK					

*This form is to be completed for a legal entity, including a joint operation, that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the entity that receives program benefits directly using the tax identification number listed in Part A. This form also collects information about the members of such entity. A person who receives program benefits directly as an individual must complete a CCC-902I with respect to that person's operation. Payment eligibility is based upon the contribution of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the entity listed in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.*

**PART A - ENTITY INFORMATION**

<p>1. Farming Entity's Name and Address (Include Zip Code)</p> <p>Cody Smith Trust No. 3 S 900 Rd Panhandle, OK XXXXX-XXXX</p>	<p>2. Tax Identification Number (If the taxpayer identification Number is already on file with FSA, only the last 4 digits are required)</p> <p style="text-align: center;">XXXX</p>
	<p>3. Date of Formation (MM-DD-YYYY)</p> <p style="text-align: center;">01-10-2014</p>

**PART B - TYPE OF OPERATION (Select only one)**

1. Select appropriate type of operation that defines the entity identified in Part A:

<input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Estate	<input type="checkbox"/> Indian Tribe
<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Charitable/Tax-exempt Organization	
<input type="checkbox"/> Sole Proprietorship/DBA	<input type="checkbox"/> Revocable/Living Trust	<input type="checkbox"/> Public School	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Corporation	<input checked="" type="checkbox"/> Irrevocable Trust	<input type="checkbox"/> City, County or State-owned Entity	

2. Trust documents for an Irrevocable Trust are required to be provided. Other supporting documentation (such as articles of incorporation, partnership agreement, evidence of heirship, and operational authorities of all shareholders, members and owners) may be required, except for public schools, States, State entities, cities, and counties, to verify the legal status of the entity and the authority of its shareholders, members or owners to the satisfaction of CCC.

**PART C - MEMBER INFORMATION (Use CCC-902E Continuation if additional space is needed for any information in Part C)**

1. **Members** - List all members/shareholders/beneficiaries/heirs/partners of the entity identified in Part A of this form:

A. Name	B. Tax ID Number (Last 4 digits if already on file)	C. % Share	D. Position and Salary (If applicable)	E. Family Member Relationship* (If applicable)	F. Does this member have signature authority for the legal entity? (Yes or No)
Curtis Smith	XXXX	50	Trustee \$ 0	Grandchild	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Charles Smith	XXXX	50	Beneficiary \$ 0	Grandchild	<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO

\* Family member means great grandparent, grandparent, parent, spouse, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1<sup>st</sup> cousin, niece, nephew, aunt, uncle of family member in the farming operation (see definition on page 6).

2. If the entity in Part A is an Estate or Trust, or if any member/shareholder is listed above is an Estate or Trust, list the Executor, Administrator, or Grantor:

A. Name of Estate or Trust Cody Smith Trust No. 3	B. Name of Executor/Administrator/Grantor Curtis Smith
--	---

3. Embedded Entities – If any member/shareholder of the entity identified in Part A is an entity, a CCC-901, Member's Information, must also be completed and submitted concurrent with this CCC-902E. Additionally, a CCC-902E must be completed and submitted for each embedded entity.

Check if CCC-901 is attached.  Check if CCC-902E is attached for an embedded entity.

288 Completing CCC-902E's for Trusts (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Cody Smith Trust No. 3</u>			Page 2 of 6					
4. Minor Members or Shareholders – For any Member or Shareholder who is a minor, provide the following: <input checked="" type="checkbox"/> N/A										
A. Minor's Name	B. Date of Birth	C. Parent's or Guardian's Name	D. Parent's or Guardian's Address	E. Parent or Guardian's SSN or Tax ID Number (Last 4 digits if already on file)						
F. Separate Status of Minors:										
(1) Is any minor a producer on a farm in which the parent or guardian has no interest?			<input type="checkbox"/> YES		<input type="checkbox"/> NO					
(2) Does any minor maintain a separate household from the parent or guardian and personally carry out farming Activities with respect to the minor's farming operation, including maintaining separate accounting?			<input type="checkbox"/> YES		<input type="checkbox"/> NO					
(3) Does any minor who is represented by a court-appointed guardian or conservator responsible for the minor a) live in a household other than the parents' household(s), and b) have a vested ownership in the farm?			<input type="checkbox"/> YES		<input type="checkbox"/> NO					
(4) If any minor with an interest in this farming operation can answer "YES" to Items F(1) through F(3), list that minor's name:										
5A. Citizenship Status - Is each Member and Shareholder of the entity or joint operation identified in Part A, and any embedded entity identified in Part C a U.S. Citizen?										
<input checked="" type="checkbox"/> YES, all members/shareholders are US Citizens - Go to Part D										
<input type="checkbox"/> NO, one or more members/shareholders is not a US Citizen - Complete Item 5B										
5B. For each member or shareholder (direct or embedded) who is not a US Citizen, provide the following:										
(1) Name of Individual		(2) This individual has a valid Form I-551		FOR FSA USE ONLY						
				Form I-551 Presented to FSA		CCC Initials				
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
<b>PART D - SUMMARY OF CONTRIBUTIONS TO THE FARMING OPERATION</b>										
1. For the farming operation of the entity identified in Part A, what percentages of the overall inputs will be contributed directly by the Entity? Enter the following information for contributions to be made by the entity identified in Part A. <i>These percentages should reflect the capital provided directly by the legal entity; land and equipment owned and/or cash leased by the legal entity and used in the farming operation; labor hired by the legal entity; and management hired by the legal entity. (Provide detailed information about these contributions in Items A through E.)</i>										
A. Capital	0 %	B. Land	100 %	C. Equipment	0 %	D. Hired Labor	0 %	E. Hired Management	0 %	
2. For the farming operation of the entity identified in Part A, what percentages of the following farm inputs will be contributed by the Members listed in PART C? Enter the following information for the contributions to be made by the members. <i>These percentages should reflect any capital originating from members' funds rather than from the entity; land and equipment owned or obtained by the member(s) and contributed to this farming operation without compensation to the member(s); labor and management hired by the members for the entity; and labor and management performed personally by the member(s) for the benefit of the farming operation identified in Part A. (Provide information about these contributions in Items B through H).</i>										
A. Member's Name	B. Capital (Current Year) %	C. Land %	D. % of Owned Land	E. Equipment %	F. % of Owned Equipment	G. Labor (%)			H. Management (%)	
						Hired	Active Personal	Check if 1000 Hours	Hired	Active Personal
Curtis Smith							0	<input type="checkbox"/>		0
Charles Smith							0	<input type="checkbox"/>		0
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
For additional space, use and attach CCC-902E Continuation										

288 Completing CCC-902E's for Trusts (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Cody Smith Trust No. 3</u>			Page 3 of 6			
<b>PART E - LAND</b>								
1. Land: Enter the following information for ALL land in the farming operation of the entity identified in Part A. <i>If land is cash leased from an individual or entity that has an interest in the crop or crop proceeds, include the rental rate in \$/acre in Column F; otherwise enter "cash."</i> (For additional space, complete CCC-902 Continuation and attach to this form)								
A. Farm No. and Location (County and State)	B. Land Leased or Contributed By	C. Check as applicable			D. Name of Person or Entity Whom Land is Leased to and/or from (Includes names of landowners and landlords)	E. Acres Owned or Leased	F. Rental Rate \$ per Acre/ % or Crop Share	G. Check here if same land interest was held last year
		Owned	Leased To	Leased From				
Farm No.: 409 Location: Texas, OK	Cody Smith Trust No. 3	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	North Texas Partners	364.0	25%	<input checked="" type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
<b>PART F - CAPITAL SOURCES and USES</b>								
1. Indicate the source(s) of all farming capital for the entity identified in Part A? (Check ALL that apply.)								
<input type="checkbox"/> Non-borrowed capital <input type="checkbox"/> Private loans/credit <input type="checkbox"/> FSA program payments from this crop year <input type="checkbox"/> Commercial loans/credit <input type="checkbox"/> Other: _____								
2. Will contributions of capital, farming equipment or land be acquired as a result of a loan or credit arrangement?								
<input type="checkbox"/> YES go to Item 3 <input type="checkbox"/> NO go to Part G								
3. Will such loan or credit be acquired from, guaranteed by, co-signed by, or secured by an individual, joint operation or entity that has an interest in the farming operation identified in Part A (Such interest may be as a landowner or other tenant)?								
<input type="checkbox"/> YES. Complete Items 3(A) through 3(E) <input type="checkbox"/> NO. Go to Part G								
A Type of Contribution	B Name of Loan or Credit Source	C Guarantor's Name		D Credit Source or Guarantor's Affiliation or Interest in the Farming Operation	E Percent of Total Capital			
					%			
					%			
					%			
<b>PART G - EQUIPMENT (All percentages are based on annual rental values.)</b>								
1. <b>Owned Equipment:</b> Enter the percent of ALL equipment owned by the farming operation of the entity identified in Part A that will be used on the farms identified in Part C by the entity: _____ %								
2. <b>Leased Equipment:</b> Enter the following information for ALL leased equipment to be used in the farming operation of the entity identified in Part A. If leased equipment is not used in this farm operation, enter 0%.								
A. Percent of Total Equipment Used in the Farming Operation	B. Name of Individual/Entity Equipment is Leased From	C. Type of Equipment Leased		D. Does the Individual/Entity the equipment is leased from have an interest in this farming operation?				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
%				<input type="checkbox"/> YES <input type="checkbox"/> NO				
3. <b>Lease Agreements:</b> If Item 2D is "YES," copies of lease agreement and documentation may be required for compliance purposes. GO TO Part H.								

288 Completing CCC-902E's for Trusts (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Cody Smith Trust No. 3</u>		Page 4 of 6
<b>PART H - CUSTOM SERVICES</b>				
1. Will custom services be utilized by the entity identified in Part A on the farms listed in Part E? <input checked="" type="checkbox"/> <b>NO.</b> GO TO PART I <input type="checkbox"/> <b>YES.</b> Complete Items 1A through 1D.				
A. Type of Services	B. Farm Number(s)	C. Number of Acres	D. Name of Provider	
<b>PART I - LABOR NOT PROVIDED BY MEMBERS/SHAREHOLDERS IDENTIFIED IN PART C</b>				
For the farms listed in Part E, enter the information for contributions of labor to the farming operation that will not be provided by the members or shareholders listed in Part C:				
<b>Type</b>			<b>Amount</b>	
1. <b>Other labor:</b> Enter the percentage or the number of hours to be donated by family members or others for which no payment will be issued or owed.			0 %	hrs
2. <b>Hired labor:</b>				
A. Will any of the hired labor for the farming operation identified in Part A originate from the same source as the leased equipment in Part G? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
B. Will any of the hired labor for the farming operation identified in Part A be included in the custom services shown in Part H? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
<b>PART J - MANAGEMENT</b>				
Enter all managerial duties and/or activities required for the farming operation identified in Part A which will be provided personally by member(s) or shareholder(s) of the entity or joint operation; or by hired management.				
1. <b>Active personal management:</b>				
List each member or shareholder in column A; the specific managerial duties/activities that will be performed personally by each member or shareholder in column B. For nonfamily member operations only, complete items in column C to include the amount of time expended annually, either in hours or as a percentage of the total management hours required for the farming operation.				
A. Member/Shareholder	B. Duties/Activities	C. Time Expended Annually <i>(For nonfamily member operations only)</i>		
		hrs	%	
		hrs	%	
		hrs	%	
		hrs	%	
		hrs	%	
		hrs	%	
<b>For additional space, use and attach CCC-902E Continuation</b>				
2. <b>Hired management:</b> Enter the percentage of hired management contributed to the farming operation. Describe any hired management duties/activities that will be provided by someone other than a member or shareholder. <i>(Include management by an administrator or trustee who receives compensation for this service or activity):</i>			<b>Amount</b>	
			%	
3. <b>Other management:</b> Enter the percentage of other management contributed to the farming operation. Describe any non-compensated management that will be provided by someone other than a member or shareholder. <i>(Include management by an administrator or trustee who does not receive compensation for this activity):</i>			%	
Curtis Smith, Trustee, makes all decision and manages all business affairs for the Trust.				



288 Completing CCC-902E's for Trusts (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)	Name of Entity (as identified in Part A): <u>Cody Smith Trust No. 3</u>	Page 5 of 6
<b>PART K - REMARKS</b>		
<p>Check all of the following that apply:</p> <p><input type="checkbox"/> CCC-902 Continuation attached for additional information for Part E - Land</p> <p><input type="checkbox"/> CCC-902E Continuation attached for additional information for the following Parts:</p> <p style="margin-left: 20px;"> <input type="checkbox"/> Part C – Member information  <input type="checkbox"/> Part D – Summary of Contributions  <input type="checkbox"/> Part F – Capital  <input type="checkbox"/> Part G – Equipment  <input type="checkbox"/> Part H – Custom Services         </p>		
<b>PART L - CERTIFICATION - (FOR JOINT VENTURES AND GENERAL PARTNERSHIPS, A SIGNATURE IS REQUIRED FOR EACH MEMBER)</b>		
<p>I certify that all the information entered on this document and any supporting documentation is true and correct. I understand that furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation. By signing this form, I acknowledge that:</p> <ul style="list-style-type: none"> <li>• all supporting documentation has been submitted as required</li> <li>• I have reviewed and understand all definitions and requirements on Page 6 of this form.</li> <li>• all information will be considered in effect continuously unless changes or revisions are submitted.</li> <li>• it is my responsibility to timely notify FSA in writing of any changes that may affect these representations, including, but not limited to: the composition of the entity identified in Part A; the farming, ranching or forestry operation of the entity identified in Part A; financial status of the entity identified in Part A.</li> <li>• evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and I will take all necessary actions to provide such materials to the applicable State or county committee if requested by FSA.</li> <li>• it is my responsibility to timely notify FSA in writing of any successors who acquire an interest in this farming operation as the result of the death of a member or shareholder.</li> </ul>		
1. Signature (By)	2. Title/Relationship of Individual Signing in the Representative Capacity	3. Date (MM-DD-YYYY)
	Trustee	12-13-2019
<p><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify the farm operating plan data needed to determine a legal entity's eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</p> <p><b>Paperwork Reduction Act (PRA) Statement:</b> This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p> <p>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</p> <p>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiocassette, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</p> <p>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</p>		

## 288 Completing CCC-902E's for Trusts (Continued)

## B Example of CCC-902E (Continued)

CCC-902E (09-28-20)	<b>DEFINITIONS</b>	Page 6 of 6
The following definitions apply to Form CCC-902E.		
<ol style="list-style-type: none"> <li>1. <b>ACTIVELY ENGAGED IN FARMING</b> – means providing both: 1) significant contributions of capital, equipment, or land, or combination thereof to the farming operation; and 2) significant contributions of active personal labor or active personal management, or a combination thereof, to the farming operation as described. Further, for a person or legal entity to be considered actively engaged in farming for program payment purposes, the contributions of the person or legal entity must be at-risk and commensurate with the person's or legal entity's claimed share of the profit and loss of the farming operation. Failure to meet these requirements will result in the determination of ineligibility for payments under programs specified in 7 CFR Part 1400.</li> <li>2. <b>INTEREST IN A FARMING OPERATION</b> – a person or legal entity is considered to have an interest in a particular farming operation if the person or legal entity owns or rents land to or from that farming operation; has an interest in the agricultural commodities produced on the operation; or is a member of a joint operation that either owns or rents land to or from the farming operation, or has an interest in the agricultural commodities produced on that operation.</li> <li>3. <b>JOINT OPERATION</b> - is a general partnership, joint venture, or similar organization.</li> <li>4. <b>PERSON</b> – is a natural person (an individual) and does not include a legal entity.</li> <li>5. <b>ACTIVE PERSONAL LABOR</b> – a person is considered to be providing active personal labor with respect to a farming operation if that person is directly and personally providing physical activities necessary to conduct the farming operation, including land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities in the farming operation. Other qualifying physical activities include establishing and maintaining conserving covers and those physical activities necessary for livestock production for the farming operation.</li> <li>6. <b>ACTIVE PERSONAL MANAGEMENT</b> – a person is considered to be providing active personal management with respect to a farming operation if that person is directly and personally providing the general supervision and direction of activities and labor involved in the farming operation; or providing services (whether performed on-site or off-site) reasonably related and necessary to the farming operation. The management activities must be critical to the profitability of the farming operation and performed under one or more of the following categories: 1) <u>Capital</u> which includes arranging financing and managing capital; acquiring equipment; acquiring land and negotiating leases; managing insurance and participating in USDA programs; 2) <u>Labor</u> which includes hiring and managing of hired labor; 3) <u>Agronomics and marketing</u> which includes selecting crops and making planting decisions; acquiring and purchasing of crop inputs; managing crops and making harvesting decisions; pricing and marketing of crop production.</li> <li>7. <b>CAPITAL</b> – with respect to a farming operation is the funding provided by a person or legal entity to the farming operation in order for such operation to conduct farming activities. To be considered a countable contribution for a person or legal entity, the capital must have been derived from a fund or account separate and distinct from that of any other person or entity involved in such operation. Countable capital does not include the value of any labor or management which is contributed to the farming operation. A capital contribution may be a direct out-of-pocket input of a specified sum or an amount borrowed by the person or entity. Capital does not include advance program payments.</li> <li>8. <b>CONTRIBUTION</b> – with respect to a farming operation, is providing land, capital or equipment assets, and providing active personal labor, or active personal management to the farming operation in exchange for, or with the expectation of, deriving benefits based solely on the success of the farming operation. Contributions must be "significant".</li> <li>9. <b>CUSTOM SERVICES</b> – with respect to a farming operation is the hiring of a contractor or vendor that is in the business of providing such specialized services to perform services for the farming operation in exchange for the payment of a fee for such services performed.</li> <li>10. <b>ENTITY</b> - is a corporation, joint stock company, limited liability company, association, limited partnership, limited liability partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any such organization participating in the farming operation as a partner in a general partnership, participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.</li> <li>11. <b>EQUIPMENT</b> – with respect to a farming operation is the machinery and implements needed by the farming operation to conduct activities of the farming operation including machinery and implements involved in land preparation, planting, cultivating, harvesting or marketing of the crops produced by the farming operation. Equipment also includes machinery and implements needed to establish and maintain conserving covers.</li> <li>12. <b>FAMILY MEMBER</b> – a person is considered to be a family member of another person in the farming operation if that person is related to the other person as a lineal ancestor, lineal descendant, sibling, 1st cousin, niece, nephew, spouse, or otherwise by marriage. This relationship includes great grandparent, grandparent, parent, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1st cousin, niece, nephew, aunt, uncle or spouse of family member in the farming operation.</li> <li>13. <b>FARMING ENTITY</b> – is the entity, including a combination of entities, conducting a farming operation at one or more locations.</li> <li>14. <b>FARMING OPERATION</b> - is a business enterprise engaged in the production of agricultural products which is operated by a person or formal or informal entity which is eligible to receive payments, directly or indirectly.</li> <li>15. <b>LAND</b> – with a respect to a contribution to a farming operation is agricultural land consisting of cropland, pastureland, wetland, or rangeland which meets the specific requirements of the applicable program for which payments or benefits are sought.</li> <li>16. <b>SUPPORTING DOCUMENTATION</b> – is any information that supports the relevant representations made such as, but not limited to: articles of incorporation; corporate meeting minutes; stock certificates; organizational papers; trust agreement; last will or testament or a deceased individual; affidavit of heirship approved by Office of General Counsel; partnership agreement; property lease agreement; purchase agreement; land deed; lending security agreement; and financial statement.</li> <li>17. All other terms utilized in this form shall be defined pursuant to 7 CFR Part 1400.</li> </ol>		

289-298 (Reserved)

**Section 8 Indian Tribes and Individual Native American Indians**

**299 Indian Tribes**

**A Definition of Indian Tribe**

Indian tribe means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village or regional corporation as defined in or established under the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the U.S. because of their status as Indians.

**Note:** This includes tribally chartered entities formed under Section 17 of the Indian Reorganization Act.

**B Rule [7 CFR 1400.4]**

Indian tribes are **not** included under the definition of “person” or “legal entity” for applying the payment eligibility and payment limitation provisions. Therefore, no limitations or restrictions are imposed on Federally recognized Indian tribes or tribally chartered entities for receiving program payments or benefits.

**Note:** This exemption only applies to Indian tribes. Refer to 11-CM, Exhibit 10 for recording the business type code for Indian Tribal Ventures.

See Exhibit 12 for the list of Federally recognized Indian Tribes.

**C Applying the Rule**

This table provides rules applicable to Indian tribes and Native Americans.

<b>IF the farming operation is conducted by...</b>	<b>THEN...</b>
the tribe or tribally chartered entity on land the tribe owns, rents, or otherwise acquires	<ul style="list-style-type: none"> <li>• payments are <b>not</b> subject to limitation</li> <li>• AGI limitations do <b>not</b> apply</li> <li>• earnings and payments will <b>not</b> be attributed to each individual member of the tribe</li> </ul> <p><b>Note:</b> CCC-902E is required to collect land information for the farming operation.</p> <ul style="list-style-type: none"> <li>• refer to 11-CM, Exhibit 10 for recording the business type code for Indian Tribal Ventures.</li> </ul>

299 Indian Tribes (Continued)

C Applying the Rule (Continued)

IF the farming operation is conducted by...	THEN...
individual Native Americans or groups of Native Americans represented by BIA on allotted land	<ul style="list-style-type: none"> <li>• a BIA official <b>must</b> certify that no 1 member, directly or indirectly, will receive more than the limitation in CCC-902E, item 18, “Remarks”, or statement attached to CCC-902E</li> <li>• individual members are considered actively engaged in farming because of land ownership</li> <li>• a BIA official <b>must</b> provide a statement to certify that all members are in compliance with AGI limitations</li> <li>• refer to 11-CM, Exhibit 10 for recording the business type code for Indians represented by BIA.</li> </ul>
individual Native American	<ul style="list-style-type: none"> <li>• actively engaged in farming requirements, cash-rent tenant rules, and AGI limitations apply</li> <li>• payments are subject to limitation</li> <li>• earnings and payments will be attributed to the individual.</li> </ul>
a legal entity comprised of members that are Native Americans	<ul style="list-style-type: none"> <li>• actively engaged in farming requirements, cash-rent tenant rules, and AGI limitations apply</li> <li>• payments to the legal entity are subject to limitation</li> <li>• earnings and payments will be attributed to each partner, stockholder, or member with an ownership interest.</li> </ul> <p><b>Note:</b> Not applicable to Alaska Native village or regional corporation established under the Alaska Native Claims Settlement Act.</p>

300-309 (Reserved)

**Section 9 States, Public Schools, Political Subdivisions, and Agencies****310 Eligibility of States, Political Subdivisions, and Agencies****A Rule [7 CFR 1400.102]**

States, including agencies, divisions, or political subdivisions thereof, are ineligible for program payments, **except** as provided in subparagraph B.

**B Exceptions to Rule**

**\*--Exception 1:** ECAP or ARC and PLC payments received with respect to land owned by--\* the State and used to support public schools are authorized but limited to \$500,000 annually.

**Note:** The term “public school” includes State universities.

**\*--Exception 2:** ECAP or ARC and PLC payments issued to States under Exception 1 are--\* **not** limited if the State has a population of less than 1.5 million using the most recent U.S. Census Bureau data.

**Note:** For 2018 and future years, or until further notice, the States that meet the criteria are Alaska, Delaware, Hawaii, Maine, Montana, North Dakota, New Hampshire, Rhode Island, South Dakota, Vermont, and Wyoming.

**C Written Verification**

If the requirements in subparagraph B are met and the payments are **not** issued directly to a public school, written verification **must** be obtained from the State Board of Education, or other authorized official, that payments are used solely for the support of public schools.

310 Eligibility of States, Political Subdivisions, and Agencies (Continued)

**D Updating Business Partner Records**

Because different rules are applicable by program in how State and local government and public schools are treated, it is imperative that the business type is updated properly in Business Partner to reflect the determination required by this handbook.

County Offices must take the following action after COC determination for State and local government entities.

<b>IF COC determines that 100 percent of the funds are...</b>	<b>THEN verify the State and local government entities are recorded in Business Partner with business type...</b>
used to maintain public schools	“Public School”.
<b>not</b> used to maintain public schools	“State and Local Government”.

See 11-CM, Exhibit 10 for recording the business type code for Federal and State Entities, and Public Schools.

**E Combine Public Schools**

Because payments to public schools for some programs are limited in States with a population greater than or equal to 1.5 million, all public schools within those States must be combined. Determine whether payments to public schools within the State are limited according to this handbook.

<b>IF the public school is in a State with a population of...</b>	<b>THEN...</b>
greater than or equal to 1.5 million	all public schools within the State must be combined. Payments to the combined public-school entity must be *--limited to \$500,000 for ECAP or for ARC and PLC combined.--*
less than 1.5 million  <b>Note:</b> States included are Alaska, Delaware, Hawaii, Idaho, Maine, Montana, New Hampshire, North Dakota, Rhode Island, South Dakota, Vermont, and Wyoming.	public schools within the State must <b>not</b> be combined. Payments to public schools are not limited in these States.

310 Eligibility of States, Political Subdivisions, and Agencies (Continued)

**F Action by Noncontrol County**

Noncontrol County Offices must follow this table for payments authorized according to subparagraph B, Exception 1, to a State producer.

Step	Action
1	<p>Notify State producers <b>before</b> the end of applicable signup that:</p> <ul style="list-style-type: none"> <li>• State producers may agree to a method of disbursing program payments</li> <li>• a drawing will be conducted to select the payment order in which participating eligible State producers will receive program payments, if no alternative payment method is agreed upon by the State producers</li> <li>• State producers must contact the control County Office by the end of signup to give the alternative payment method agreed upon by all affected parties, if applicable</li> </ul> <p>•*--the method used for selection will apply for ARC and PLC applications and a separate selection will apply for ECAP applications.--*</p>
2	<p>Send the following to the control County Office for <b>all</b> eligible participating State producers and participating legal entities in which the State producer has an interest:</p> <ul style="list-style-type: none"> <li>•*--ECAP applications--*</li> <li>• ARC and PLC applications</li> <li>• CCC-902E's</li> <li>• CCC-941's.</li> </ul>
3	<p>Notify affected producers of the results of the drawing conducted by the control County Office <b>no</b> later than 1 week after the drawing is held.</p> <p><b>Note:</b> Notify the control County Office of any cancellations.</p>

310 Eligibility of States, Political Subdivisions, and Agencies (Continued)

G Letter to Combined State Producers

Send this letter to State producers subject to subparagraph B, Exception 1, no later than \*--30 calendar days before the end of signup for ECAP, and again 30 calendar days before the end of signup for ARC and PLC.

Producer's Name	Date
Street	
City, State ZIP Code	
Dear Producer:	
<p>A State, including all political subdivisions and agencies thereof, is only eligible for payments under [insert "ECAP" or "ARC or PLC"] if the payments are used solely for the support of public schools. Total payments <b>cannot</b> exceed \$500,000 annually for [insert "ECAP" or "ARC and PLC, combined"]. To be eligible for payment, <b>each</b> legal entity <b>must</b> be determined actively engaged in farming and in compliance with highly erodible land conservation and wetland conservation provisions.</p> <p>If you intend to participate in [insert "ECAP" or "ARC and/or PLC"], you <b>must</b> enroll by [end of signup date]. <b>No</b> later than [end of signup date], all State producers should develop a method for disbursing program payments subject to limitation and inform the control County Office [give office name and address]. If no method is given, the control County Office will conduct a drawing, open to the public, on [second Friday after signup] at 10:00 a.m., for selecting the order in which participating State producers will receive payments subject to limitation. These payments are earned on State-owned land and used solely for the support of public schools.</p> <p>If a drawing is conducted, you will be notified of the results.</p> <p>Sincerely,</p> <p>County Executive Director</p>	

--\*



310 Eligibility of States, Political Subdivisions, and Agencies (Continued)

H State Drawing, Control County

Control County Offices must use this table if it is necessary to conduct a drawing for State producers. The drawing must be open to the public and conducted at 10 a.m. on the second Friday **after** the end of signup or such other date is announced.

Step	Action
1	<p>Determine the number of State producers by counting <b>each</b> eligible contract or application subject to the same limitation and assign a number to each.</p> <p><b>Note:</b> Include <b>only</b> timely filed contracts or applications in which the State producer has an interest.</p>
2	<p>Select by drawing the numbers assigned in step 1 until a payment order has been <b>*--established for all State producers. For ECAP or ARC or PLC payment--*</b> applications, use the calculated payment amount to determine when the limitation has been reached.</p> <p><b>Note:</b> For both ARC and PLC payments, allocate the amounts to producers in the same order as determined by the drawing and issue payment when appropriate.</p>
3	<p>Notify the noncontrol County Offices of the results of the drawing.</p> <p><b>Note:</b> Include a list of payment and designation order as determined in step 2 that indicates each producer's earnings subject to the applicable limitation.</p>
4	<p>Update the list in step 3 if any producers cancel their contract or application.</p> <ul style="list-style-type: none"> <li>• Subsequent payments subject to the applicable limitations must be made in the order listed.</li> <li>• Total payments for ARC and PLC payments must <b>not</b> exceed \$500,000 for program payment limitation amount.</li> <li>•<b>*--</b>Total payments for ECAP payments must <b>not</b> exceed \$500,000 for program payment limitation amount.</li> </ul> <p><b>Note:</b> ECAP has a separate payment limitation from ARC and PLC.<b>--*</b></p>

311 Completing CCC-902E’s for Public Schools

A Completing CCC-902E’s

Complete CCC-902E according to this table.

Item	Instruction
1 and 2	Enter name of the recording county and State for this farming operation. The recording county most often is the administrative county for the entity’s or joint operation’s farming operation.
3	Enter crop year for which this certification applies.
<b>Part A</b>	
1	Enter name of the general partnership, joint venture, Indian tribe, corporation, LP, LLC, trust, estate, charitable/tax-exempt organization, public school, city/county/State-owned entity, or other similar entity.
2	Enter TIN of the entity or joint operation in item 1.  <b>Note:</b> If complete TIN is already on file, only last 4 digits are <b>required</b> .
3	Enter date the entity or joint operation was formed. This is <b>not</b> applicable to public schools, city/county/State-owned entities, or Indian tribes.
<b>Part B</b>	
1	Select the box that defines the type of entity or joint operation in Part A. If “Other” is selected specify or describe.
2	<b>Note:</b> Trust documents for an Irrevocable Trust are required to be provided. Other supporting documentation, such as articles of incorporation, partnership agreement, and evidence of heirship, may be <b>required</b> for <b>each</b> type of operation represented, <b>except</b> for public schools, States, State entities, and counties.

311 Completing CCC-902E's for Public Schools (Continued)

A Completing CCC-902E's (Continued)

Item	Instruction						
<b>Part C</b>	If additional space is needed for any information in Part C, complete and attach CCC-902E Continuation.						
1	Enter the following for each member of the entity or joint operation.						
A	Enter member's name.						
B	Enter last 4 digits of member's TIN.  <b>Note:</b> If complete TIN is already on file, only last 4 digits are <b>required</b> .						
C	Enter percent share of or interest in the operation.						
D	Enter member's position in and salary or bonus from the operation.						
E	Enter member's family relationship to the first member listed in item 1A. <table border="1" data-bbox="428 699 651 821"> <tr> <td data-bbox="428 699 651 737"><b>IF entity is...</b></td> <td data-bbox="651 699 1464 737"><b>THEN show...</b></td> </tr> <tr> <td data-bbox="428 737 651 777">an estate</td> <td data-bbox="651 737 1464 777">member's relationship to the deceased individual.</td> </tr> <tr> <td data-bbox="428 777 651 821">a trust</td> <td data-bbox="651 777 1464 821">beneficiary's relationship to the grantor.</td> </tr> </table>	<b>IF entity is...</b>	<b>THEN show...</b>	an estate	member's relationship to the deceased individual.	a trust	beneficiary's relationship to the grantor.
<b>IF entity is...</b>	<b>THEN show...</b>						
an estate	member's relationship to the deceased individual.						
a trust	beneficiary's relationship to the grantor.						
F	Select either of the following, as applicable:  <ul style="list-style-type: none"> <li>• "Yes", if the member has signature authority for entity in Part A</li> <li>• "No", if the member does <b>not</b> have signature authority for entity in Part A.</li> </ul> <b>Note:</b> For joint operations, joint ventures, and general partnerships, <b>each member must initial the response in Column F.</b>						
2A and 2B	If entity in Part A is an estate or trust, or if any member in Part C is an estate or trust, enter the name of estate or trust in item 2A and enter the name of the executors, administrators, or grantors in item 2B. If there is more than 1 executor, administrator, or grantor, provide the additional information in the space provided or attach additional sheets.						
3	If any member in item 1A is an entity or joint operation:  <ul style="list-style-type: none"> <li>• complete CCC-901 and attach a copy</li> <li>• select the box, if CCC-901 has been completed and attached</li> <li>• complete CCC-902E for each embedded entity or joint operation</li> <li>• select the box if CCC-902E is attached for members who are entities and joint operations.</li> </ul>						

311 Completing CCC-902E's for Public Schools (Continued)

A Completing CCC-902E's (Continued)

Item	Instruction	
Entity's Name	Enter name of the entity or joint operation in Part A at the top of the page.	
4	<b>IF...</b>	<b>THEN...</b>
	none of the members listed in item 1A is a minor	select "N/A" (not applicable), and go to item 5A.
	any member listed in item 1A is a minor	provide the following information about that member.
A	Enter minor's name.	
B	Enter minor's date of birth.	
C	Enter name of the minor's parent or guardian.	
D	Enter address of the parent or guardian.	
E	Enter parent or guardian's TIN.  <b>Note:</b> If complete TIN is already on file, only last 4 digits are <b>required</b> .	
F	<b>IF any minor in item 4A...</b>	<b>THEN select...</b>
(1)	is a producer on a farm and the parent or guardian has <b>no</b> interest	"Yes".
	is a producer on a farm and the parent or guardian has an interest in the farming operation	"No".
(2)	maintains a separate household from the parent or guardian and personally carries out <b>all</b> farming activities with respect to the minor's own farming operation, including maintaining separate accounting	"Yes".
	does <b>not</b> maintain a separate household from the parent or guardian and does <b>not</b> personally carry out <b>all</b> farming activities with respect to the minor's own farming operation, including maintaining separate accounting	"No".
(3)	who is represented by a court-appointed guardian or conservator, lives in a household other than the parents' households, and has a vested ownership in the farm	"Yes".
	who is represented by a court-appointed guardian or conservator, does <b>not</b> live in a separate household other than the parents' households, and does <b>not</b> have a vested ownership in the farm	"No".
(4)	If "Yes" is selected for all items F(1) through F(3), for the minor who has an interest in the farming operation of the entity or joint operation in Part A, enter the name of the minor in the space provided.	

311 Completing CCC-902E’s for Public Schools (Continued)

A Completing CCC-902E’s (Continued)

Item	Instruction
5A	Select either of the following, as applicable: <ul style="list-style-type: none"> <li>• “Yes”, if all individual members and shareholders in embedded entities and joint operations listed in Part C are U.S. citizens; go to Part D</li> <li>• “No”, if any individual member and shareholder in embedded entities and joint operations listed in Part C is <b>not</b> a U.S. citizen; go to item 6B.</li> </ul>
5B	For each member or shareholder who is an alien lawfully admitted into the U.S., list that member’s name and indicate whether this person possesses a valid I-551.  Select “No” for any non-U.S. citizen who does <b>not</b> possess I-551.
<b>FSA Only</b>	FSA must select “Yes” or “No” indicating that I-551 was presented, and initial.
<b>Part D</b>	If additional space is needed for this part, complete and attach CCC-902E Continuation.
1A through 1E	Enter percentages of capital (money), land, equipment, hired labor, and hired management that is provided by the joint operation or entity in Part A ( <b>not</b> by the members or shareholders directly).  If all labor and management is provided by the members and no labor or management is hired, ENTER “0%”.
2A through 2H	If any member provides capital, land, or equipment to the farming operation in Part A, enter the member’s name and the percentage contributed.  Use items 2D and 2F to indicate if a member contributes owned land or equipment to the entity’s or joint operation’s farming operation. Do not include land or equipment owned by a member and leased to the farming operation.  If any member provides hired labor, labor they do themselves, hired management, or management they do themselves, enter the member’s name and percentage or hours of each contribution in items 2G and 2H.  Select the applicable box if a member provides 1,000 or more hours of active personal labor to the farming operation in Part A.  Select the applicable box if a member provides 500 or more hours of active personal management to the farming operation in Part A.

311 Completing CCC-902E's for Public Schools (Continued)

A Completing CCC-902E's (Continued)

Item	Instruction
Entity's Name	Enter name of the entity or joint operation in Part A at the top of the page.
<b>Part E</b>	If additional space is needed for this part, complete and attach CCC-902E Continuation.
1	Enter the following information for <b>all</b> land that is operated by the farming operation in Part A.
A	Enter farm number, county, and State where located.
B	Enter name of the entity, joint operation, or member who contributes the land.
C	Select the applicable box to show whether land is owned, leased to someone, or leased from someone.
D	Enter name of the individual, entity, or joint operation to whom or from whom the land is leased.
E	Enter acres owned or leased on the farm.
F	Enter per acre amount of cash-rent or percentage of the crop shared with the landlord.  <b>Note:</b> If land is cash-leased from an: <ul style="list-style-type: none"> <li>• unrelated individual or entity, ENTER “<b>cash</b>”</li> <li>• individual or entity who has an interest in the crop or crop proceeds, include the rental rate in dollars per acre.</li> </ul>
G	Select the box if the farming operation in Part A had this same land interest in the prior crop year.

311 Completing CCC-902E's for Public Schools (Continued)

A Completing CCC-902E's (Continued)

Item	Instruction	
<b>Part F</b>		
1	Select all sources of capital for the farming operation in Part A that apply. If "Other" is selected, specify.	
2	<b>IF farming operation in Part A...</b>	<b>THEN select...</b>
	acquired any contributions of capital, equipment, or land through loans or credit arrangement	"Yes" and go to item 3.
	did <b>not</b> acquire any contributions of capital, equipment, or land through loans or credit arrangement	"No" and go to Part G.
3	used loans or credit to finance this farming operation, or to acquire/purchase land or equipment, and this financing was acquired from, guaranteed by, co-signed by, or secured by an individual, joint operation, or entity with an interest in the farming operation	"Yes" and complete items 3(A) through 3(E).
	used loans or credit to finance this farming operation, or to acquire/purchase land or equipment, and this financing was <b>not</b> acquired from, guaranteed by, co-signed by, or secured by any other individual, joint operation, or entity	"No" and go to Part G.

311 Completing CCC-902E's for Public Schools (Continued)

A Completing CCC-902E's (Continued)

Item	Instruction							
<b>Part G</b>	All percentages are based on annual rental values.							
1	<p>Enter percent of <b>all</b> equipment used in this farming operation that is owned by the entity or joint operation in Part A.</p> <p>If no equipment used in this farming operation is owned by the entity or joint operation in Part A, ENTER “0%”.</p>							
2A through 2C	<p>Enter information for <b>all</b> equipment used in the farming operation that is leased by the joint operation or entity in Part A. For <b>each</b> type of equipment leased, enter the following:</p> <ul style="list-style-type: none"> <li>• in item 2A, percent of total equipment used in the farming operation</li> <li>• in item 2B, name of the party or entity from whom equipment is leased</li> <li>• in item 2C, type of equipment leased.</li> </ul> <p>If leased equipment is <b>not</b> used in this farming operation, ENTER “0%” in item 2A and go to Part H.</p>							
2D	<p>If joint operation or entity in Part A leased equipment, indicate whether the equipment was leased from an individual or entity who has an interest in the farming operation of the joint operation or entity in Part A.</p> <table border="1" data-bbox="428 1031 1466 1220"> <thead> <tr> <th data-bbox="428 1031 1240 1073">IF the equipment was...</th> <th data-bbox="1240 1031 1466 1073">THEN select...</th> </tr> </thead> <tbody> <tr> <td data-bbox="428 1073 1240 1146">leased from an individual or entity who has an interest in the farming operation of the joint operation or entity in Part A</td> <td data-bbox="1240 1073 1466 1146">“Yes” and go to item 3.</td> </tr> <tr> <td data-bbox="428 1146 1240 1220">not leased from an individual or entity who has an interest in the farming operation of the joint operation or entity in Part A</td> <td data-bbox="1240 1146 1466 1220">“No” and go to Part H.</td> </tr> </tbody> </table>		IF the equipment was...	THEN select...	leased from an individual or entity who has an interest in the farming operation of the joint operation or entity in Part A	“Yes” and go to item 3.	not leased from an individual or entity who has an interest in the farming operation of the joint operation or entity in Part A	“No” and go to Part H.
IF the equipment was...	THEN select...							
leased from an individual or entity who has an interest in the farming operation of the joint operation or entity in Part A	“Yes” and go to item 3.							
not leased from an individual or entity who has an interest in the farming operation of the joint operation or entity in Part A	“No” and go to Part H.							
3	<p>If joint operation or entity in Part A leased equipment from an individual or entity who has an interest in the farming operation of the joint operation or entity in Part A, copies of lease agreements may be required for compliance purposes. Go to Part H.</p>							



311 Completing CCC-902E's for Public Schools (Continued)

A Completing CCC-902E's (Continued)

Item	Instruction							
Entity's Name	Enter name of the entity or joint operation in Part A at the top of the page.							
<b>Part H</b>								
1	Using custom services by the farming operation in Part A does <b>not</b> apply: <ul style="list-style-type: none"> <li>• to services for chemical and fertilizer application</li> <li>• to harvesting crops</li> <li>• if all the land in the farming operation is owned.</li> </ul> <table border="1" data-bbox="423 625 1247 779"> <thead> <tr> <th data-bbox="423 625 927 661">IF custom farming services will...</th> <th data-bbox="927 625 1469 661">THEN select...</th> </tr> </thead> <tbody> <tr> <td data-bbox="423 661 927 697">not be used in this operation</td> <td data-bbox="927 661 1469 697">"No" and go to Part I.</td> </tr> <tr> <td data-bbox="423 697 927 779">be used in the farming operation</td> <td data-bbox="927 697 1469 779">"Yes" and complete items 1A through 1D.</td> </tr> </tbody> </table>		IF custom farming services will...	THEN select...	not be used in this operation	"No" and go to Part I.	be used in the farming operation	"Yes" and complete items 1A through 1D.
IF custom farming services will...	THEN select...							
not be used in this operation	"No" and go to Part I.							
be used in the farming operation	"Yes" and complete items 1A through 1D.							
1A	Enter type of custom service, including but <b>not</b> limited to, tillage, planting, cultivating, chemical application, insect/pest scouting, etc.							
1B	Enter farm numbers the service will be applied.							
1C	Enter total number of acres for which custom services will be used.							
1D	Enter name of the custom farming service provider. Go to Part I.							
<b>Part I</b>								
1	Enter percent or number of hours of active personal labor donated to the farming operation in Part A by family members or neighbors for which payment is <b>not</b> issued and is <b>not</b> owed.							
<b>IF...</b>		<b>THEN select...</b>						
2A	<b>none</b> of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part G	"No".						
	<b>any</b> of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part G  <b>Note:</b> Acceptable documentation of equipment lease and hired labor agreements may be <b>required</b> for compliance purposes.	"Yes".						
2B	<b>none</b> of the hired labor for the farming operation in Part A was included in the custom services shown in Part H	"No" and go to Part J.						
	<b>any</b> of the hired labor for the farming operation in Part A was included in the custom services shown in Part H  <b>Note:</b> Acceptable documentation of equipment lease and hired labor agreements may be <b>required</b> for compliance purposes.	"Yes" and go to Part J.						

311 Completing CCC-902E’s for Public Schools (Continued)

A Completing CCC-902E’s (Continued)

Item	Instruction
<b>Part J</b>	
1	<p>In column A list each member or shareholder of the farming operation who is contributing active personal management.</p> <p>In column B, enter for each person in column A, the type of management duties provided to the farming operation.</p>
2	<p>Enter name of any person, other than a member or shareholder, who will be providing hired management and briefly describe the types of management duties hired for the farming operation in Part A, including management by an administrator or trustee who receives compensation for this service or activity. Enter the percentage or hours of hired management contributed to the farming operation.</p>
3	<p>Enter name of any person, other than a member or shareholder, who will be providing other management and briefly describe the types of management duties provided for the farming operation in Part A, including management by an administrator or trustee who does <b>not</b> receive compensation for this activity. Enter the percentage or hours of other management contributed to the farming operation.</p> <p>If entity is an estate or trust, list management provided by the executor, administrator, or trustees. Go to Part K.</p>
<b>Part K</b>	<p>Enter any additional and relevant information about this farming operation and/or the members and shareholders who could <b>not</b> be entered in any other part.</p> <p>Include references to any part and the number of CCC-902E Continuation pages completed and attached. Go to Part L.</p>
<b>Part L</b>	
1	<p>An individual member, or an authorized representative of the legal entity identified in Part A, must sign the certification. If a joint operation, each member of the joint operation identified in Part A must sign the certification.</p>
2	<p>If the individual members sign CCC-902E, this item should be left blank.</p> <p>If an authorized representative for the legal entity in Part A signs CCC-902E, use this item to show the individual’s representative capacity. For example, “Agent” or “Attorney-in-fact.”</p>
3	<p>Enter the date CCC-902E was signed.</p>

311 Completing CCC-902E's for Public Schools (Continued)

B Example of CCC-902E

Following is an example of CCC-902E completed for a public school.

This form is available electronically. (See Page 5 for Privacy Act and Paperwork Reduction Act Statements)																																											
CCC-902E (09-28-20)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation  <b>FARM OPERATING PLAN FOR AN ENTITY</b>																																										
1. County Texas	3. Program Year 2020																																										
2. State OK																																											
For "actively engaged in farming" and other payment eligibility/limitation determinations.																																											
This form is to be completed for a legal entity, including a joint operation, that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the entity that receives program benefits directly using the tax identification number listed in Part A. This form also collects information about the members of such entity. A person who receives program benefits directly as an individual must complete a CCC-902I with respect to that person's operation. Payment eligibility is based upon the contribution of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the entity listed in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.																																											
<b>PART A - ENTITY INFORMATION</b>																																											
1. Farming Entity's Name and Address (Include Zip Code) Wixen Valley USD #427 427 Wixen Rd Wixnn Valley, TX XXXXX-XXXX01-10-2014	2. Tax Identification Number (If the taxpayer identification Number is already on file with FSA, only the last 4 digits are required) XXXX																																										
	3. Date of Formation (MM-DD-YYYY) 01-10-2014																																										
<b>PART B - TYPE OF OPERATION (Select only one)</b>																																											
1. Select appropriate type of operation that defines the entity identified in Part A:																																											
<input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Estate <input type="checkbox"/> Indian Tribe <input type="checkbox"/> Joint Venture <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Charitable/Tax-exempt Organization <input type="checkbox"/> Sole Proprietorship/DBA <input type="checkbox"/> Revocable/Living Trust <input checked="" type="checkbox"/> Public School <input type="checkbox"/> Other: _____ <input type="checkbox"/> Corporation <input type="checkbox"/> Irrevocable Trust <input type="checkbox"/> City, County or State-owned Entity																																											
2. Trust documents for an Irrevocable Trust are required to be provided. Other supporting documentation (such as articles of incorporation, partnership agreement, evidence of heirship, and operational authorities of all shareholders, members and owners) may be required, except for public schools, States, State entities, cities, and counties, to verify the legal status of the entity and the authority of its shareholders, members or owners to the satisfaction of CCC.																																											
<b>PART C - MEMBER INFORMATION (Use CCC-902E Continuation if additional space is needed for any information in Part C)</b>																																											
1. Members - List all members/shareholders/beneficiaries/heirs/partners of the entity identified in Part A of this form:																																											
<table border="1"> <thead> <tr> <th>A. Name</th> <th>B. Tax ID Number (Last 4 digits if already on file)</th> <th>C. % Share</th> <th>D. Position and Salary (If applicable)</th> <th>E. Family Member Relationship* (If applicable)</th> <th>F. Does this member have signature authority for the legal entity? (Yes or No)</th> </tr> </thead> <tbody> <tr> <td>Public School No Members</td> <td>XXXX</td> <td></td> <td>\$ 0</td> <td></td> <td><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td></td> <td></td> <td></td> <td>\$</td> <td></td> <td><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td></td> <td></td> <td></td> <td>\$</td> <td></td> <td><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td></td> <td></td> <td></td> <td>\$</td> <td></td> <td><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td></td> <td></td> <td></td> <td>\$</td> <td></td> <td><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> <tr> <td></td> <td></td> <td></td> <td>\$</td> <td></td> <td><input type="checkbox"/> YES <input type="checkbox"/> NO</td> </tr> </tbody> </table>	A. Name	B. Tax ID Number (Last 4 digits if already on file)	C. % Share	D. Position and Salary (If applicable)	E. Family Member Relationship* (If applicable)	F. Does this member have signature authority for the legal entity? (Yes or No)	Public School No Members	XXXX		\$ 0		<input type="checkbox"/> YES <input type="checkbox"/> NO				\$		<input type="checkbox"/> YES <input type="checkbox"/> NO				\$		<input type="checkbox"/> YES <input type="checkbox"/> NO				\$		<input type="checkbox"/> YES <input type="checkbox"/> NO				\$		<input type="checkbox"/> YES <input type="checkbox"/> NO				\$		<input type="checkbox"/> YES <input type="checkbox"/> NO	
A. Name	B. Tax ID Number (Last 4 digits if already on file)	C. % Share	D. Position and Salary (If applicable)	E. Family Member Relationship* (If applicable)	F. Does this member have signature authority for the legal entity? (Yes or No)																																						
Public School No Members	XXXX		\$ 0		<input type="checkbox"/> YES <input type="checkbox"/> NO																																						
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO																																						
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO																																						
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO																																						
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO																																						
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO																																						
* Family member means great grandparent, grandparent, parent, spouse, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1 <sup>st</sup> cousin, niece, nephew, aunt, uncle of family member in the farming operation (see definition on page 6).																																											
2. If the entity in Part A is an Estate or Trust, or if any member/shareholder is listed above is an Estate or Trust, list the Executor, Administrator, or Grantor:																																											
A. Name of Estate or Trust	B. Name of Executor/Administrator/Grantor																																										
3. Embedded Entities - If any member/shareholder of the entity identified in Part A is an entity, a CCC-901, Member's Information, must also be completed and submitted concurrent with this CCC-902E. Additionally, a CCC-902E must be completed and submitted for each embedded entity.																																											
<input type="checkbox"/> Check if CCC-901 is attached. <input type="checkbox"/> Check if CCC-902E is attached for an embedded entity.																																											

311 Completing CCC-902E's for Public Schools (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Wixen Valley USD #427</u>			Page 2 of 6					
4. Minor Members or Shareholders – For any Member or Shareholder who is a minor, provide the following: <input type="checkbox"/> N/A										
A. Minor's Name	B. Date of Birth	C. Parent's or Guardian's Name	D. Parent's or Guardian's Address	E. Parent or Guardian's SSN or Tax ID Number (Last 4 digits if already on file)						
F. Separate Status of Minors:										
(1) Is any minor a producer on a farm in which the parent or guardian has no interest?				<input type="checkbox"/> YES <input type="checkbox"/> NO						
(2) Does any minor maintain a separate household from the parent or guardian and personally carry out farming Activities with respect to the minor's farming operation, including maintaining separate accounting?				<input type="checkbox"/> YES <input type="checkbox"/> NO						
(3) Does any minor who is represented by a court-appointed guardian or conservator responsible for the minor a) live in a household other than the parents' household(s), and b) have a vested ownership in the farm?				<input type="checkbox"/> YES <input type="checkbox"/> NO						
(4) If any minor with an interest in this farming operation can answer "YES" to Items F(1) through F(3), list that minor's name:										
5A. Citizenship Status - Is each Member and Shareholder of the entity or joint operation identified in Part A, and any embedded entity identified in Part C a U.S. Citizen?										
<input checked="" type="checkbox"/> YES, all members/shareholders are US Citizens - Go to Part D										
<input type="checkbox"/> NO, one or more members/shareholders is not a US Citizen - Complete Item 5B										
5B. For each member or shareholder (direct or embedded) who is not a US Citizen, provide the following:										
(1) Name of Individual		(2) This individual has a valid Form I-551		FOR FSA USE ONLY						
				Form I-551 Presented to FSA		CCC Initials				
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
<b>PART D - SUMMARY OF CONTRIBUTIONS TO THE FARMING OPERATION</b>										
1. For the farming operation of the entity identified in Part A, what percentages of the overall inputs will be contributed directly by the Entity? Enter the following information for contributions to be made by the entity identified in Part A. <i>These percentages should reflect the capital provided directly by the legal entity; land and equipment owned and/or cash leased by the legal entity and used in the farming operation; labor hired by the legal entity; and management hired by the legal entity. (Provide detailed information about these contributions in Items A through E.)</i>										
A. Capital	B. Land	C. Equipment	D. Hired Labor	E. Hired Management						
0 %	100 %	0 %	0 %	100 %						
2. For the farming operation of the entity identified in Part A, what percentages of the following farm inputs will be contributed by the Members listed in PART C? Enter the following information for the contributions to be made by the members. <i>These percentages should reflect any capital originating from members' funds rather than from the entity; land and equipment owned or obtained by the member(s) and contributed to this farming operation without compensation to the member(s); labor and management hired by the members for the entity; and labor and management performed personally by the member(s) for the benefit of the farming operation identified in Part A. (Provide information about these contributions in Items B through H).</i>										
A. Member's Name	B. Capital (Current Year) %	C. Land %	D. % of Owned Land	E. Equipment %	F. % of Owned Equipment	G. Labor (%)			H. Management (%)	
						Hired	Active Personal	Check if 1000 Hours	Hired	Active Personal
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
For additional space, use and attach CCC-902E Continuation										

311 Completing CCC-902E's for Public Schools (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Wixen Valley USD No. 427</u>			Page 3 of 6			
<b>PART E - LAND</b>								
1. Land: Enter the following information for ALL land in the farming operation of the entity identified in Part A. <i>If land is cash leased from an individual or entity that has an interest in the crop or crop proceeds, include the rental rate in \$/acre in Column F; otherwise enter "cash."</i> (For additional space, complete CCC-902 Continuation and attach to this form)								
A. Farm No. and Location (County and State)	B. Land Leased or Contributed By	C. Check as applicable			D. Name of Person or Entity Whom Land is Leased to and/or from (Includes names of landowners and landlords)	E. Acres Owned or Leased	F. Rental Rate \$ per Acre/ % or Crop Share	G. Check here if same land interest was held last year
		Owned	Leased To	Leased From				
Farm No.: 409 Location: Texas, OK	Wixen Valley USD No. 427	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	North Texas Partners	15.0	25%	<input checked="" type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
<b>PART F - CAPITAL SOURCES and USES</b>								
1. Indicate the source(s) of all farming capital for the entity identified in Part A? (Check ALL that apply.)								
<input type="checkbox"/> Non-borrowed capital <input type="checkbox"/> Private loans/credit <input type="checkbox"/> FSA program payments from this crop year <input type="checkbox"/> Commercial loans/credit <input type="checkbox"/> Other: _____								
2. Will contributions of capital, farming equipment or land be acquired as a result of a loan or credit arrangement?								
<input type="checkbox"/> YES go to Item 3 <input type="checkbox"/> NO go to Part G								
3. Will such loan or credit be acquired from, guaranteed by, co-signed by, or secured by an individual, joint operation or entity that has an interest in the farming operation identified in Part A (Such interest may be as a landowner or other tenant)?								
<input type="checkbox"/> YES. Complete Items 3(A) through 3(E) <input type="checkbox"/> NO. Go to Part G								
A Type of Contribution	B Name of Loan or Credit Source	C Guarantor's Name	D Credit Source or Guarantor's Affiliation or Interest in the Farming Operation	E Percent of Total Capital				
				%				
				%				
				%				
<b>PART G - EQUIPMENT (All percentages are based on annual rental values.)</b>								
1. <b>Owned Equipment:</b> Enter the percent of ALL equipment owned by the farming operation of the entity identified in Part A that will be used on the farms identified in Part C by the entity: _____ %								
2. <b>Leased Equipment:</b> Enter the following information for ALL leased equipment to be used in the farming operation of the entity identified in Part A. If leased equipment is not used in this farm operation, enter 0%.								
A. Percent of Total Equipment Used in the Farming Operation	B. Name of Individual/Entity Equipment is Leased From	C. Type of Equipment Leased	D. Does the Individual/Entity the equipment is leased from have an interest in this farming operation?					
%			<input type="checkbox"/> YES <input type="checkbox"/> NO					
%			<input type="checkbox"/> YES <input type="checkbox"/> NO					
%			<input type="checkbox"/> YES <input type="checkbox"/> NO					
3. <b>Lease Agreements:</b> If Item 2D is "YES," copies of lease agreement and documentation may be required for compliance purposes. GO TO Part H.								

311 Completing CCC-902E's for Public Schools (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): _____		Page 4 of 6
<b>PART H - CUSTOM SERVICES</b>				
1. Will custom services be utilized by the entity identified in Part A on the farms listed in Part E? <input type="checkbox"/> NO. GO TO PART I <input type="checkbox"/> YES. Complete Items 1A through 1D.				
A. Type of Services	B. Farm Number(s)	C. Number of Acres	D. Name of Provider	
<b>PART I - LABOR NOT PROVIDED BY MEMBERS/SHAREHOLDERS IDENTIFIED IN PART C</b>				
For the farms listed in Part E, enter the information for contributions of labor to the farming operation that will not be provided by the members or shareholders listed in Part C:				
<b>Type</b>			<b>Amount</b>	
1. <b>Other labor:</b> Enter the percentage or the number of hours to be donated by family members or others for which no payment will be issued or owed.			%	hrs
2. <b>Hired labor:</b>				
A. Will any of the hired labor for the farming operation identified in Part A originate from the same source as the leased equipment in Part G? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
B. Will any of the hired labor for the farming operation identified in Part A be included in the custom services shown in Part H? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>				
<b>PART J - MANAGEMENT</b>				
Enter all managerial duties and/or activities required for the farming operation identified in Part A which will be provided personally by member(s) or shareholder(s) of the entity or joint operation; or by hired management.				
1. <b>Active personal management:</b>				
List each member or shareholder in column A; the specific managerial duties/activities that will be performed personally by each member or shareholder in column B. For nonfamily member operations only, complete items in column C to include the amount of time expended annually, either in hours or as a percentage of the total management hours required for the farming operation.				
A. Member/Shareholder	B. Duties/Activities		C. Time Expended Annually <i>(For nonfamily member operations only)</i>	
			hrs	%
			hrs	%
			hrs	%
			hrs	%
			hrs	%
			hrs	%
For additional space, use and attach CCC-902E Continuation				
2. <b>Hired management:</b> Enter the percentage of hired management contributed to the farming operation. Describe any hired management duties/activities that will be provided by someone other than a member or shareholder. <i>(Include management by an administrator or trustee who receives compensation for this service or activity):</i>			<b>Amount</b>	
			%	
3. <b>Other management:</b> Enter the percentage of other management contributed to the farming operation. Describe any non-compensated management that will be provided by someone other than a member or shareholder. <i>(Include management by an administrator or trustee who does not receive compensation for this activity):</i>			%	
			%	

311 Completing CCC-902E's for Public Schools (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)	Name of Entity (as identified in Part A): <u>Wixen Valley USD #427</u>	Page 5 of 6
<b>PART K - REMARKS</b>		
<p>Check all of the following that apply:</p> <p><input type="checkbox"/> CCC-902 Continuation attached for additional information for Part E - Land</p> <p><input type="checkbox"/> CCC-902E Continuation attached for additional information for the following Parts:</p> <p><input type="checkbox"/> Part C – Member information</p> <p><input type="checkbox"/> Part D – Summary of Contributions</p> <p><input type="checkbox"/> Part F – Capital</p> <p><input type="checkbox"/> Part G – Equipment</p> <p><input type="checkbox"/> Part H – Custom Services</p>		
<b>PART L - CERTIFICATION - (FOR JOINT VENTURES AND GENERAL PARTNERSHIPS, A SIGNATURE IS REQUIRED FOR EACH MEMBER)</b>		
<p>I certify that all the information entered on this document and any supporting documentation is true and correct. I understand that furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation. By signing this form, I acknowledge that:</p> <ul style="list-style-type: none"> <li>• all supporting documentation has been submitted as required</li> <li>• I have reviewed and understand all definitions and requirements on Page 6 of this form.</li> <li>• all information will be considered in effect continuously unless changes or revisions are submitted.</li> <li>• it is my responsibility to timely notify FSA in writing of any changes that may affect these representations, including, but not limited to: the composition of the entity identified in Part A; the farming, ranching or forestry operation of the entity identified in Part A; financial status of the entity identified in Part A.</li> <li>• evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and I will take all necessary actions to provide such materials to the applicable State or county committee if requested by FSA.</li> <li>• it is my responsibility to timely notify FSA in writing of any successors who acquire an interest in this farming operation as the result of the death of a member or shareholder.</li> </ul>		
1. Signature (By)	2. Title/Relationship of Individual Signing in the Representative Capacity	3. Date (MM-DD-YYYY)
	Superintendent, USD #427	12-13-2019
<p><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify the farm operating plan data needed to determine a legal entity's eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</p> <p><b>Paperwork Reduction Act (PRA) Statement:</b> This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p> <p>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</p> <p>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiocassette, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</p> <p>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</p>		

## 311 Completing CCC-902E's for Public Schools (Continued)

## B Example of CCC-902E (Continued)

CCC-902E (09-28-20)	DEFINITIONS	Page 6 of 6
The following definitions apply to Form CCC-902E.		
<ol style="list-style-type: none"> <li>1. <b>ACTIVELY ENGAGED IN FARMING</b> – means providing both: 1) significant contributions of capital, equipment, or land, or combination thereof to the farming operation; and 2) significant contributions of active personal labor or active personal management, or a combination thereof, to the farming operation as described. Further, for a person or legal entity to be considered actively engaged in farming for program payment purposes, the contributions of the person or legal entity must be at-risk and commensurate with the person's or legal entity's claimed share of the profit and loss of the farming operation. Failure to meet these requirements will result in the determination of ineligibility for payments under programs specified in 7 CFR Part 1400.</li> <li>2. <b>INTEREST IN A FARMING OPERATION</b> – a person or legal entity is considered to have an interest in a particular farming operation if the person or legal entity owns or rents land to or from that farming operation; has an interest in the agricultural commodities produced on the operation; or is a member of a joint operation that either owns or rents land to or from the farming operation, or has an interest in the agricultural commodities produced on that operation.</li> <li>3. <b>JOINT OPERATION</b> - is a general partnership, joint venture, or similar organization.</li> <li>4. <b>PERSON</b> – is a natural person (an individual) and does not include a legal entity.</li> <li>5. <b>ACTIVE PERSONAL LABOR</b> – a person is considered to be providing active personal labor with respect to a farming operation if that person is directly and personally providing physical activities necessary to conduct the farming operation, including land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities in the farming operation. Other qualifying physical activities include establishing and maintaining conserving covers and those physical activities necessary for livestock production for the farming operation.</li> <li>6. <b>ACTIVE PERSONAL MANAGEMENT</b> – a person is considered to be providing active personal management with respect to a farming operation if that person is directly and personally providing the general supervision and direction of activities and labor involved in the farming operation; or providing services (whether performed on-site or off-site) reasonably related and necessary to the farming operation. The management activities must be critical to the profitability of the farming operation and performed under one or more of the following categories: 1) <u>Capital</u> which includes arranging financing and managing capital; acquiring equipment; acquiring land and negotiating leases; managing insurance and participating in USDA programs; 2) <u>Labor</u> which includes hiring and managing of hired labor; 3) <u>Agonomics and marketing</u> which includes selecting crops and making planting decisions; acquiring and purchasing of crop inputs; managing crops and making harvesting decisions; pricing and marketing of crop production.</li> <li>7. <b>CAPITAL</b> – with respect to a farming operation is the funding provided by a person or legal entity to the farming operation in order for such operation to conduct farming activities. To be considered a countable contribution for a person or legal entity, the capital must have been derived from a fund or account separate and distinct from that of any other person or entity involved in such operation. Countable capital does not include the value of any labor or management which is contributed to the farming operation. A capital contribution may be a direct out-of-pocket input of a specified sum or an amount borrowed by the person or entity. Capital does not include advance program payments.</li> <li>8. <b>CONTRIBUTION</b> – with respect to a farming operation, is providing land, capital or equipment assets, and providing active personal labor, or active personal management to the farming operation in exchange for, or with the expectation of, deriving benefits based solely on the success of the farming operation. Contributions must be "significant".</li> <li>9. <b>CUSTOM SERVICES</b> – with respect to a farming operation is the hiring of a contractor or vendor that is in the business of providing such specialized services to perform services for the farming operation in exchange for the payment of a fee for such services performed.</li> <li>10. <b>ENTITY</b> - is a corporation, joint stock company, limited liability company, association, limited partnership, limited liability partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any such organization participating in the farming operation as a partner in a general partnership, participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.</li> <li>11. <b>EQUIPMENT</b> – with respect to a farming operation is the machinery and implements needed by the farming operation to conduct activities of the farming operation including machinery and implements involved in land preparation, planting, cultivating, harvesting or marketing of the crops produced by the farming operation. Equipment also includes machinery and implements needed to establish and maintain conserving covers.</li> <li>12. <b>FAMILY MEMBER</b> – a person is considered to be a family member of another person in the farming operation if that person is related to the other person as a lineal ancestor, lineal descendant, sibling, 1st cousin, niece, nephew, spouse, or otherwise by marriage. This relationship includes great grandparent, grandparent, parent, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1st cousin, niece, nephew, aunt, uncle or spouse of family member in the farming operation.</li> <li>13. <b>FARMING ENTITY</b> – is the entity, including a combination of entities, conducting a farming operation at one or more locations.</li> <li>14. <b>FARMING OPERATION</b> - is a business enterprise engaged in the production of agricultural products which is operated by a person or formal or informal entity which is eligible to receive payments, directly or indirectly.</li> <li>15. <b>LAND</b> – with a respect to a contribution to a farming operation is agricultural land consisting of cropland, pastureland, wetland, or rangeland which meets the specific requirements of the applicable program for which payments or benefits are sought.</li> <li>16. <b>SUPPORTING DOCUMENTATION</b> – is any information that supports the relevant representations made such as, but not limited to: articles of incorporation; corporate meeting minutes; stock certificates; organizational papers; trust agreement; last will or testament or a deceased individual; affidavit of heirship approved by Office of General Counsel; partnership agreement; property lease agreement; purchase agreement; land deed; lending security agreement; and financial statement.</li> <li>17. All other terms utilized in this form shall be defined pursuant to 7 CFR Part 1400.</li> </ol>		

312-321 (Reserved)



**Section 10 Non-Profit or Tax-Exempt Organizations****322 Clubs, Societies, and Fraternal and Religious Organizations****A Rule [7 CFR 1400.103]**

Charitable organizations, including clubs, societies, fraternal, and religious organizations, must be considered separate and distinct farming operations from the members of the organization or any other legal entity.

Refer to paragraph 112 for documenting the business's tax exempt status.

**B Exceptions to Rule**

If the land operated by the organization, or the production from the operation, may transfer to a legal entity that exercises control over the organization, the payments to the organization must be attributed to the parent organization.

**Note:** If parent organization's TIN is used by the organization, the payments to the organization must be attributed to the parent organization.

**Important:** The fact that an organization has a separate TIN does **not** mean that it qualifies for a separate limitation. If there is any indication that 1 organization exercises control over another organization and land or proceeds transfer to the parent organization, the payments must be attributed to the parent organization and payments limited accordingly.

**Example:** If land owned by a church within a diocese would transfer to the diocese upon closure of the church, payments to the church would be attributed to the diocese.

**C Example of Determinations for Charitable Organizations**

**Situation:** A charitable organization forms other charitable organizations that are represented to be separate organizations. The other organizations have separate TIN's and each is recognized by IRS as qualifying as a charitable organization. However, there is evidence that the parent organization continues to exercise control over the other organizations, and that the land, or proceeds from the land, may transfer to the parent organization.

**Result:** All payments will be attributed to the parent organization.

**D Business Type Codes**

Refer to 11-CM, Exhibit 10 for recording the business type code for creating or maintaining customer records for non-profit tax exempt and similar organizations.

323 Completing CCC-902E's for Charitable/Tax-Exempt Organizations

A Completing CCC-902E's

For detailed instructions on completing CCC-902E's, see paragraph 311.

B Example of CCC-902E

Following is an example of CCC-902E completed for a charitable/tax-exempt organization.

This form is available electronically. (See Page 5 for Privacy Act and Paperwork Reduction Act Statements)

<b>CCC-902E</b> U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation  <b>FARM OPERATING PLAN FOR AN ENTITY</b>		1. County Texas	3. Program Year  2020
For "actively engaged in farming" and other payment eligibility/limitation determinations.		2. State OK	

*This form is to be completed for a legal entity, including a joint operation, that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the entity that receives program benefits directly using the tax identification number listed in Part A. This form also collects information about the members of such entity. A person who receives program benefits directly as an individual must complete a CCC-902I with respect to that person's operation. Payment eligibility is based upon the contribution of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the entity listed in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.*

**PART A - ENTITY INFORMATION**

1. Farming Entity's Name and Address (Include Zip Code) Raccoon Valley Wildlife Preservation Society 111 Raccoon Rd. Wixen Valley, TX XXXXX-XXXX	2. Tax Identification Number (If the taxpayer identification Number is already on file with FSA, only the last 4 digits are required) XXXX
	3. Date of Formation (MM-DD-YYYY) 01-10-2014

**PART B - TYPE OF OPERATION (Select only one)**

1. Select appropriate type of operation that defines the entity identified in Part A:

<input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Estate	<input type="checkbox"/> Indian Tribe
<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Limited Liability Company	<input checked="" type="checkbox"/> Charitable/Tax-exempt Organization	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Sole Proprietorship/DBA	<input type="checkbox"/> Revocable/Living Trust	<input type="checkbox"/> Public School	
<input type="checkbox"/> Corporation	<input type="checkbox"/> Irrevocable Trust	<input type="checkbox"/> City, County or State-owned Entity	

2. Trust documents for an Irrevocable Trust are required to be provided. Other supporting documentation (such as articles of incorporation, partnership agreement, evidence of heirship, and operational authorities of all shareholders, members and owners) may be required, except for public schools, States, State entities, cities, and counties, to verify the legal status of the entity and the authority of its shareholders, members or owners to the satisfaction of CCC.

**PART C - MEMBER INFORMATION (Use CCC-902E Continuation if additional space is needed for any information in Part C)**

1. **Members** - List all members/shareholders/beneficiaries/heirs/partners of the entity identified in Part A of this form:

A. Name	B. Tax ID Number (Last 4 digits if already on file)	C. % Share	D. Position and Salary (if applicable)	E. Family Member Relationship* (if applicable)	F. Does this member have signature authority for the legal entity? (Yes or No)
501(c)3 No-Profit Tax Exempt entity No Shareholders	XXXX		\$ 0		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO
			\$		<input type="checkbox"/> YES <input type="checkbox"/> NO

\* Family member means great grandparent, grandparent, parent, spouse, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1<sup>st</sup> cousin, niece, nephew, aunt, uncle of family member in the farming operation (see definition on page 6).

2. If the entity in Part A is an Estate or Trust, or if any member/shareholder is listed above is an Estate or Trust, list the Executor, Administrator, or Grantor:

A. Name of Estate or Trust	B. Name of Executor/Administrator/Grantor

3. Embedded Entities – If any member/shareholder of the entity identified in Part A is an entity, a CCC-901, Member's Information, must also be completed and submitted concurrent with this CCC-902E. Additionally, a CCC-902E must be completed and submitted for each embedded entity.

Check if CCC-901 is attached.  Check if CCC-902E is attached for an embedded entity.

323 Completing CCC-902E's for Charitable/Tax-Exempt Organizations (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20)		Name of Entity (as identified in Part A): <u>Raccoon Valley Wildlife Preservation Society</u>			Page 2 of 6					
4. Minor Members or Shareholders – For any Member or Shareholder who is a minor, provide the following: <input type="checkbox"/> N/A										
A. Minor's Name	B. Date of Birth	C. Parent's or Guardian's Name	D. Parent's or Guardian's Address	E. Parent or Guardian's SSN or Tax ID Number (Last 4 digits if already on file)						
F. Separate Status of Minors:										
(1) Is any minor a producer on a farm in which the parent or guardian has no interest?				<input type="checkbox"/> YES <input type="checkbox"/> NO						
(2) Does any minor maintain a separate household from the parent or guardian and personally carry out farming Activities with respect to the minor's farming operation, including maintaining separate accounting?				<input type="checkbox"/> YES <input type="checkbox"/> NO						
(3) Does any minor who is represented by a court-appointed guardian or conservator responsible for the minor a) live in a household other than the parents' household(s), and b) have a vested ownership in the farm?				<input type="checkbox"/> YES <input type="checkbox"/> NO						
(4) If any minor with an interest in this farming operation can answer "YES" to Items F(1) through F(3), list that minor's name:										
5A. Citizenship Status - Is each Member and Shareholder of the entity or joint operation identified in Part A, and any embedded entity identified in Part C a U.S. Citizen?										
<input type="checkbox"/> YES, all members/shareholders are US Citizens - Go to Part D										
<input type="checkbox"/> NO, one or more members/shareholders is not a US Citizen - Complete Item 5B										
5B. For each member or shareholder (direct or embedded) who is not a US Citizen, provide the following:										
(1) Name of Individual		(2) This individual has a valid Form I-551		FOR FSA USE ONLY						
				Form I-551 Presented to FSA		CCC Initials				
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
		<input type="checkbox"/> YES <input type="checkbox"/> NO		<input type="checkbox"/> YES <input type="checkbox"/> NO						
<b>PART D - SUMMARY OF CONTRIBUTIONS TO THE FARMING OPERATION</b>										
1. For the farming operation of the entity identified in Part A, what percentages of the overall inputs will be contributed directly by the Entity? Enter the following information for contributions to be made by the entity identified in Part A. These percentages should reflect the capital provided directly by the legal entity; land and equipment owned and/or cash leased by the legal entity and used in the farming operation; labor hired by the legal entity; and management hired by the legal entity. (Provide detailed information about these contributions in Items A through E.)										
A. Capital	B. Land	C. Equipment	D. Hired Labor	E. Hired Management						
0 %	100 %	0 %	0 %	100 %						
2. For the farming operation of the entity identified in Part A, what percentages of the following farm inputs will be contributed by the Members listed in PART C? Enter the following information for the contributions to be made by the members. These percentages should reflect any capital originating from members' funds rather than from the entity; land and equipment owned or obtained by the member(s) and contributed to this farming operation without compensation to the member(s); labor and management hired by the members for the entity; and labor and management performed personally by the member(s) for the benefit of the farming operation identified in Part A. (Provide information about these contributions in Items B through H).										
A. Member's Name	B. Capital (Current Year) %	C. Land %	D. % of Owned Land	E. Equipment %	F. % of Owned Equipment	G. Labor (%)			H. Management (%)	
						Hired	Active Personal	Check if 1000 Hours	Hired	Active Personal
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
								<input type="checkbox"/>		
For additional space, use and attach CCC-902E Continuation										

323 Completing CCC-902E's for Charitable/Tax-Exempt Organizations (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20) Name of Entity (as identified in Part A): Raccoon Valley Wildlife Preservation Society Page 3 of 6

**PART E - LAND**

1. Land: Enter the following information for ALL land in the farming operation of the entity identified in Part A. *If land is cash leased from an individual or entity that has an interest in the crop or crop proceeds, include the rental rate in \$/acre in Column F; otherwise enter "cash."*  
(For additional space, complete CCC-902 Continuation and attach to this form)

A. Farm No. and Location (County and State)	B. Land Leased or Contributed By	C. Check as applicable			D. Name of Person or Entity Whom Land is Leased to and/or from (Includes names of landowners and landlords)	E. Acres Owned or Leased	F. Rental Rate \$ per Acre/ % or Crop Share	G. Check here if same land interest was held last year
		Owned	Leased To	Leased From				
Farm No.: 409 Location: Texas, OK	Raccoon Valley Wildlife Preservation Society	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	North Texas Partners	15.0	25%	<input checked="" type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Farm No.:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
Location:		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>

**PART F - CAPITAL SOURCES and USES**

1. Indicate the source(s) of all farming capital for the entity identified in Part A? (Check ALL that apply.)

Non-borrowed capital     Private loans/credit     FSA program payments from this crop year  
 Commercial loans/credit     Other: \_\_\_\_\_

2. Will contributions of capital, farming equipment or land be acquired as a result of a loan or credit arrangement?  
 YES go to Item 3     NO go to Part G

3. Will such loan or credit be acquired from, guaranteed by, co-signed by, or secured by an individual, joint operation or entity that has an interest in the farming operation identified in Part A (Such interest may be as a landowner or other tenant)?  
 YES. Complete Items 3(A) through 3(E)     NO. Go to Part G

A Type of Contribution	B Name of Loan or Credit Source	C Guarantor's Name	D Credit Source or Guarantor's Affiliation or Interest in the Farming Operation	E Percent of Total Capital
				%
				%
				%

**PART G - EQUIPMENT (All percentages are based on annual rental values.)**

1. **Owned Equipment:** Enter the percent of ALL equipment owned by the farming operation of the entity identified in Part A that will be used on the farms identified in Part C by the entity: \_\_\_\_\_ %

2. **Leased Equipment:** Enter the following information for ALL leased equipment to be used in the farming operation of the entity identified in Part A. If leased equipment is not used in this farm operation, enter 0%.

A. Percent of Total Equipment Used in the Farming Operation	B. Name of Individual/Entity Equipment is Leased From	C. Type of Equipment Leased	D. Does the Individual/Entity the equipment is leased from have an interest in this farming operation?
%			<input type="checkbox"/> YES <input type="checkbox"/> NO
%			<input type="checkbox"/> YES <input type="checkbox"/> NO
%			<input type="checkbox"/> YES <input type="checkbox"/> NO

3. **Lease Agreements:** If Item 2D is "YES," copies of lease agreement and documentation may be required for compliance purposes. GO TO Part H.

323 Completing CCC-902E's for Charitable/Tax-Exempt Organizations (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20) Name of Entity (as identified in Part A): Raccoon Valley Wildlife Preservation Society Page 4 of 6

**PART H - CUSTOM SERVICES**

1. Will custom services be utilized by the entity identified in Part A on the farms listed in Part E?  
 **NO.** GO TO PART I  **YES.** Complete Items 1A through 1D.

A. Type of Services	B. Farm Number(s)	C. Number of Acres	D. Name of Provider

**PART I - LABOR NOT PROVIDED BY MEMBERS/SHAREHOLDERS IDENTIFIED IN PART C**

For the farms listed in Part E, enter the information for contributions of labor to the farming operation that will not be provided by the members or shareholders listed in Part C:

Type	Amount
1. <b>Other labor:</b> Enter the percentage or the number of hours to be donated by family members or others for which no payment will be issued or owed.	0 % hrs
2. <b>Hired labor:</b>	
A. Will any of the hired labor for the farming operation identified in Part A originate from the same source as the leased equipment in Part G? <input type="checkbox"/> NO <input type="checkbox"/> YES If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.	
B. Will any of the hired labor for the farming operation identified in Part A be included in the custom services shown in Part H? <input type="checkbox"/> NO <input type="checkbox"/> YES If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.	

**PART J - MANAGEMENT**

Enter all managerial duties and/or activities required for the farming operation identified in Part A which will be provided personally by member(s) or shareholder(s) of the entity or joint operation; or by hired management.

1. **Active personal management:**

List each member or shareholder in column A; the specific managerial duties/activities that will be performed personally by each member or shareholder in column B. For nonfamily member operations only, complete items in column C to include the amount of time expended annually, either in hours or as a percentage of the total management hours required for the farming operation.

A. Member/Shareholder	B. Duties/Activities	C. Time Expended Annually (For nonfamily member operations only)	
		hrs	%
		hrs	%
		hrs	%
		hrs	%
		hrs	%
		hrs	%
		hrs	%

For additional space, use and attach CCC-902E Continuation

2. <b>Hired management:</b> Enter the percentage of hired management contributed to the farming operation. Describe any hired management duties/activities that will be provided by someone other than a member or shareholder. (Include management by an administrator or trustee who receives compensation for this service or activity):	Amount %
3. <b>Other management:</b> Enter the percentage of other management contributed to the farming operation. Describe any non-compensated management that will be provided by someone other than a member or shareholder. (Include management by an administrator or trustee who does not receive compensation for this activity):	Amount %

President Daniel Weeks manages the land owned by the school district and rented to North Texas Partners. Mr. Weeks has full responsibility for decisions for cropping, marketing of the district's share of the crop production, paying all expenses associated with the property; and conducting all business at the PSA office.

323 Completing CCC-902E's for Charitable/Tax-Exempt Organizations (Continued)

B Example of CCC-902E (Continued)

CCC-902E (09-28-20) Name of Entity (as identified in Part A): Raccoon Valley Wildlife Preservation Society Page 5 of 6

**PART K - REMARKS**

Check all of the following that apply:

CCC-902 Continuation attached for additional information for Part E - Land

CCC-902E Continuation attached for additional information for the following Parts:

Part C – Member information

Part D – Summary of Contributions

Part F – Capital

Part G – Equipment

Part H – Custom Services

**PART L - CERTIFICATION - (FOR JOINT VENTURES AND GENERAL PARTNERSHIPS, A SIGNATURE IS REQUIRED FOR EACH MEMBER)**

I certify that all the information entered on this document and any supporting documentation is true and correct. I understand that furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation. By signing this form, I acknowledge that:

- all supporting documentation has been submitted as required
- I have reviewed and understand all definitions and requirements on Page 6 of this form.
- all information will be considered in effect continuously unless changes or revisions are submitted.
- it is my responsibility to timely notify FSA in writing of any changes that may affect these representations, including, but not limited to: the composition of the entity identified in Part A; the farming, ranching or forestry operation of the entity identified in Part A; financial status of the entity identified in Part A.
- evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and I will take all necessary actions to provide such materials to the applicable State or county committee if requested by FSA.
- it is my responsibility to timely notify FSA in writing of any successors who acquire an interest in this farming operation as the result of the death of a member or shareholder.

1. Signature (By)	2. Title/Relationship of Individual Signing in the Representative Capacity	3. Date (MM-DD-YYYY)
	President	12-13-2019

**NOTE:** The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to identify the farm operating plan data needed to determine a legal entity's eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.

**Paperwork Reduction Act (PRA) Statement:** This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

## 323 Completing CCC-902E's for Charitable/Tax-Exempt Organizations (Continued)

## B Example of CCC-902E (Continued)

CCC-902E (09-28-20)	DEFINITIONS	Page 6 of 6
The following definitions apply to Form CCC-902E.		
<ol style="list-style-type: none"> <li>1. <b>ACTIVELY ENGAGED IN FARMING</b> – means providing both: 1) significant contributions of capital, equipment, or land, or combination thereof to the farming operation; and 2) significant contributions of active personal labor or active personal management, or a combination thereof, to the farming operation as described. Further, for a person or legal entity to be considered actively engaged in farming for program payment purposes, the contributions of the person or legal entity must be at-risk and commensurate with the person's or legal entity's claimed share of the profit and loss of the farming operation. Failure to meet these requirements will result in the determination of ineligibility for payments under programs specified in 7 CFR Part 1400.</li> <li>2. <b>INTEREST IN A FARMING OPERATION</b> – a person or legal entity is considered to have an interest in a particular farming operation if the person or legal entity owns or rents land to or from that farming operation; has an interest in the agricultural commodities produced on the operation; or is a member of a joint operation that either owns or rents land to or from the farming operation, or has an interest in the agricultural commodities produced on that operation.</li> <li>3. <b>JOINT OPERATION</b> - is a general partnership, joint venture, or similar organization.</li> <li>4. <b>PERSON</b> – is a natural person (an individual) and does not include a legal entity.</li> <li>5. <b>ACTIVE PERSONAL LABOR</b> – a person is considered to be providing active personal labor with respect to a farming operation if that person is directly and personally providing physical activities necessary to conduct the farming operation, including land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities in the farming operation. Other qualifying physical activities include establishing and maintaining conserving covers and those physical activities necessary for livestock production for the farming operation.</li> <li>6. <b>ACTIVE PERSONAL MANAGEMENT</b> – a person is considered to be providing active personal management with respect to a farming operation if that person is directly and personally providing the general supervision and direction of activities and labor involved in the farming operation; or providing services (whether performed on-site or off-site) reasonably related and necessary to the farming operation. The management activities must be critical to the profitability of the farming operation and performed under one or more of the following categories: 1) <u>Capital</u> which includes arranging financing and managing capital; acquiring equipment; acquiring land and negotiating leases; managing insurance and participating in USDA programs; 2) <u>Labor</u> which includes hiring and managing of hired labor; 3) <u>Agonomics and marketing</u> which includes selecting crops and making planting decisions; acquiring and purchasing of crop inputs; managing crops and making harvesting decisions; pricing and marketing of crop production.</li> <li>7. <b>CAPITAL</b> – with respect to a farming operation is the funding provided by a person or legal entity to the farming operation in order for such operation to conduct farming activities. To be considered a countable contribution for a person or legal entity, the capital must have been derived from a fund or account separate and distinct from that of any other person or entity involved in such operation. Countable capital does not include the value of any labor or management which is contributed to the farming operation. A capital contribution may be a direct out-of-pocket input of a specified sum or an amount borrowed by the person or entity. Capital does not include advance program payments.</li> <li>8. <b>CONTRIBUTION</b> – with respect to a farming operation, is providing land, capital or equipment assets, and providing active personal labor, or active personal management to the farming operation in exchange for, or with the expectation of, deriving benefits based solely on the success of the farming operation. Contributions must be "significant".</li> <li>9. <b>CUSTOM SERVICES</b> – with respect to a farming operation is the hiring of a contractor or vendor that is in the business of providing such specialized services to perform services for the farming operation in exchange for the payment of a fee for such services performed.</li> <li>10. <b>ENTITY</b> - is a corporation, joint stock company, limited liability company, association, limited partnership, limited liability partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any such organization participating in the farming operation as a partner in a general partnership, participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.</li> <li>11. <b>EQUIPMENT</b> – with respect to a farming operation is the machinery and implements needed by the farming operation to conduct activities of the farming operation including machinery and implements involved in land preparation, planting, cultivating, harvesting or marketing of the crops produced by the farming operation. Equipment also includes machinery and implements needed to establish and maintain conserving covers.</li> <li>12. <b>FAMILY MEMBER</b> – a person is considered to be a family member of another person in the farming operation if that person is related to the other person as a lineal ancestor, lineal descendant, sibling, 1st cousin, niece, nephew, spouse, or otherwise by marriage. This relationship includes great grandparent, grandparent, parent, child (including legally adopted children and stepchildren), grandchild, great grandchild, sibling, 1st cousin, niece, nephew, aunt, uncle or spouse of family member in the farming operation.</li> <li>13. <b>FARMING ENTITY</b> – is the entity, including a combination of entities, conducting a farming operation at one or more locations.</li> <li>14. <b>FARMING OPERATION</b> - is a business enterprise engaged in the production of agricultural products which is operated by a person or formal or informal entity which is eligible to receive payments, directly or indirectly.</li> <li>15. <b>LAND</b> – with a respect to a contribution to a farming operation is agricultural land consisting of cropland, pastureland, wetland, or rangeland which meets the specific requirements of the applicable program for which payments or benefits are sought.</li> <li>16. <b>SUPPORTING DOCUMENTATION</b> – is any information that supports the relevant representations made such as, but not limited to: articles of incorporation; corporate meeting minutes; stock certificates; organizational papers; trust agreement; last will or testament or a deceased individual; affidavit of heirship approved by Office of General Counsel; partnership agreement; property lease agreement; purchase agreement; land deed; lending security agreement; and financial statement.</li> <li>17. All other terms utilized in this form shall be defined pursuant to 7 CFR Part 1400.</li> </ol>		

324-333 (Reserved)





## Section 11 Foreign Person Provisions

### 334 Foreign Person Rule Applicability

#### A Introduction

Before making **any** actively engaged in farming or other eligibility determinations, it **must** be established whether persons or legal entities projected to share in applicable program benefits, are foreign persons or foreign entities.

CCC-902 is used to:

- collect information about a person's citizenship status
- collect information about the citizenship status of a legal entity's members, partners or stockholders and determine the entity's status as a foreign entity.

Changes in a person's citizenship status; or a member's, stockholder's, or partner's citizenship status; must be reported on CCC-902. Changes in citizenship status may affect eligibility to participate in FSA/CCC programs.

#### B Program Applicability

Apply the provisions in this part to any type of payment, loan, and benefit made for 1989 and subsequent crop years for the programs listed in paragraph 34.

**Note:** Unless otherwise specified, **all** other provisions of this handbook are applicable in determining payment eligibility for foreign persons.

#### C Person Applicability

The provisions in this part are applicable to foreign persons as defined in paragraphs 335 and 336.

**Note:** The provisions in this part are **not** applicable to a citizen of the U.S., lawful alien, or legal entity who is **not** subject to this part that is:

- in lawful possession, through a lease or otherwise, of a farm owned by a foreign person or foreign legal entity who is subject to this part
- successor-in-interest to a program contract or agreement for a farm owned by a foreign person or foreign legal entity who is subject to this part.

**334 Foreign Person Rule Applicability (Continued)****D COC Determination**

COC must make the initial determination of foreign or nonforeign status for persons, legal entities, or other similar entities based on documentation provided.

**E Recording Citizenship Status in Business Partner**

Upon determining a person's citizenship status is not a U.S. citizen or resident alien, County Office employees must update the person's citizenship status in Business Partner according to 11-CM.

Upon determining an entity is a foreign entity, County Office employees must update the legal entity's originating country in Business Partner according to 11-CM.

**335 Foreign Person Identification****A Definition of Foreign Person**

Foreign person means someone who is **not** a:

- citizen of the U.S.
- lawful alien possessing a valid I-551.

**B Proof of Citizenship**

If COC questions the citizenship of a person, acceptable proof of citizenship **must** be provided. Proof of citizenship includes the following:

- birth certificate
- nationalization and citizenship papers
- certificate of citizenship
- verification through the nearest Immigration and Naturalization Service office.

**335 Foreign Person Identification (Continued)****C Description of New Permanent Resident Alien Card**

The new card designs enhanced graphics and fraud-resistant security features to create cards that are highly secure and more tamper-resistant than the ones currently in use. The new green card will:

- display the individual's photos on both sides
- show a unique graphic image and color palette

**Note:** Green cards will have an image of the Statue of Liberty against the American flag, and predominately green palette.

- have embedded holographic images on both sides
- no longer display the individual's signature
- no longer have an optical stripe on the back.

U.S. Citizenship and Immigration Services (USCIS) began issuing the new cards on May 1, 2017.

**D Determining Card Validity**

Some green cards issued after May 1, 2017, may still display the existing design format as USCIS will continue using existing card stock until supplies are depleted. Both the existing and new green cards will remain valid until the expiration date remain valid. Individuals who have green cards without an expiration date are **not** required to apply for a replacement card bearing an expiration date.

A conditional permanent resident receives a 2-year green card. To remain a permanent resident, a conditional permanent resident must file a petition to remove the condition during the 90 calendar days before the card expires. Also, the conditional card cannot be renewed. The conditions must be removed or the person will lose their permanent resident status.

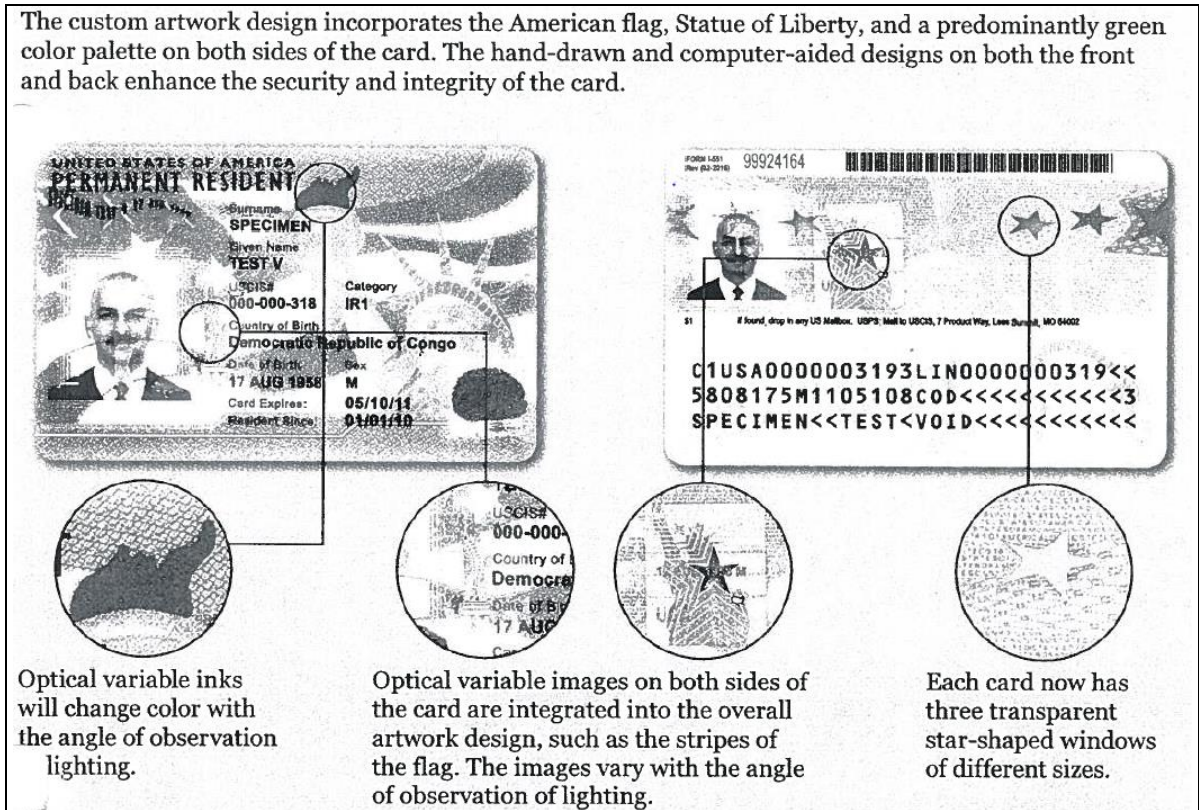
335 Foreign Person Identification (Continued)

E Forms of Identification

The following are the front and back views of I-551 currently in use.

- Special attention **must** be taken to ensure that proper identification of lawful aliens is made.
- Note visual inspection of I-551 on CCC-902.
- Request to photocopy I-551 if there is any question of its validity.

The custom artwork design incorporates the American flag, Statue of Liberty, and a predominantly green color palette on both sides of the card. The hand-drawn and computer-aided designs on both the front and back enhance the security and integrity of the card.



Optical variable inks will change color with the angle of observation lighting.

Optical variable images on both sides of the card are integrated into the overall artwork design, such as the stripes of the flag. The images vary with the angle of observation of lighting.

Each card now has three transparent star-shaped windows of different sizes.

335 Foreign Person Identification (Continued)

E Forms of Identification (Continued)

The **Permanent Resident Card (I-551)**:

- began being issued in November 2004
- displays the seal of the Department of Homeland Security
- contains a detailed hologram on the front of the card
- is personalized with an etching displaying the following:
  - bearer’s photo
  - name
  - signature
  - date of birth
  - alien registration number
  - card expiration date
  - card number.



The **Resident Alien Card (I-551)** is:

- no longer issued
- valid indefinitely or until the expiration date
- commonly referred to as a “green card”
- is the replacement for the Alien Registration Recipient Card (I-551).

Recipients of the Resident Alien Card (I-551) are lawful permanent residents.





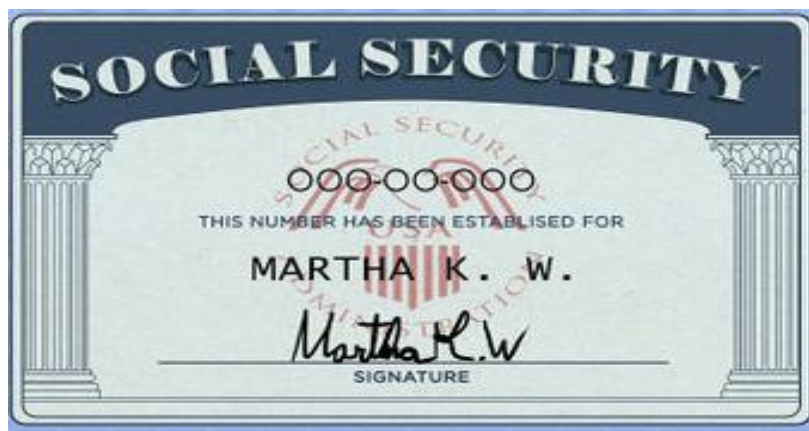
## 335 Foreign Person Identification (Continued)

**F Other Types of Identification**

Foreign Persons may also possess a Social Security Card that can be validated with IRS in Business Partner according to 11-CM.

The following are examples of identification that may be presented by program applicants.

The first type is the basic identification known to hundreds of millions of people.



This provides the person's name and Social Security number and allows the person to work without restrictions.

The **second type** of card carries the words “**Valid for Work Only With DHS Authorization**” and may be presented by foreign persons.

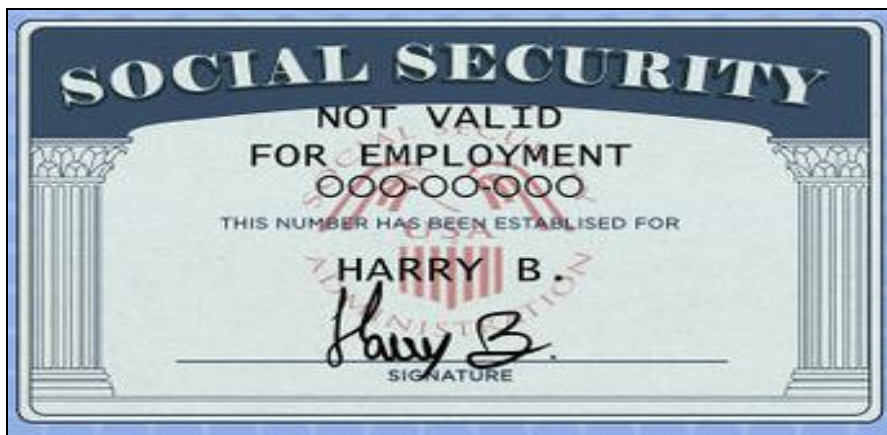


This is issued to people who have permission to live and work here only for temporary periods with an appropriate Visa. Possession of this card indicates additional documentation is necessary to validate a person's residency status according to subparagraph B.

335 Foreign Person Identification (Continued)

F Other Types of Identification (Continued)

The **third type** has the words “not valid for employment”.



This type is issued to noncitizens who do **not** have work permission but need a Social Security number to apply for Government benefits or services such as Food Stamps, WIC program, and Medicare. Possession of this card indicates additional documentation is necessary to validate a person’s residency status according to subparagraph B.

A citizen of a foreign country, wishing to enter the U.S., generally must first obtain a visa. This type of visa is defined by immigration law and relates to the purpose of the person’s travel. Visas are issued by American embassies, consulates and are valid for specific periods of time. **A visa does not provide permanent resident status.**



## 336 Foreign Entity Identification

### A Definition of Foreign Entity

Foreign entity means a corporation, trust, estate, or other similar organization, that has more than 10 percent of its beneficial interest held by persons who are **not**:

- citizens of the U.S.
- lawful aliens possessing a valid I-551.

### B Determining Beneficial Interest

In determining whether beneficial interest is held, the beneficial ownership must be based on the higher amount of interest on either of the following dates:

- date applicable program contract or agreement is executed
- beginning harvest date for the commodity as determined by STC.

**Note:** All interest in an entity, including interest in an embedded entity, must be taken into account.

### C Entity Ownership Share

Use this table to determine a person's or legal entity's ownership interest in a foreign entity.

<b>IF ownership is of...</b>	<b>THEN the ownership percentage held by a person or legal entity must be based on...</b>
1 class of stock or other similar unit	their outstanding share of ownership compared to the total outstanding unit of ownership.
more than 1 class of stock or other similar unit	the fair market value of all outstanding stock. <b>Note:</b> To determine the fair market value, follow paragraph 257.

**Note:** The value of different classes of stock or other unit of ownership can be determined by COC, STC, or DAFP, but must be determined by the earliest level **before** referring to the next higher level of authority.

### D Less Than 10 Percent Interest

DAFP may determine that an ownership interest of 10 percent or less must be considered beneficial interest.

### E Entity's Responsibility

The entity must inform COC of any increase in ownership by a member that occurs after the beneficial interest has been determined.

**Note:** If there has been an increase in foreign ownership after a payment, loan, or benefit has been made, the entity **must** refund the payment, loan, or benefit.



337 Categories of Foreign Person Provisions

A Three Separate Categories

Use this table to determine the appropriate foreign person provision for different programs.

<p><b>Category 1</b></p> <p><b>Foreign Person Identification</b></p>	<p><b>Category 2</b></p> <p><b>Foreign Person Rules</b></p>	<p><b>Category 3</b></p> <p><b>Fiscal Provisions Applicable to Payments to Foreign Persons</b></p>
<p>Paragraphs 335 and 336.</p> <p>Definition of “foreign person”.</p> <p>A person who is <b>not</b>:</p> <ul style="list-style-type: none"> <li>• a U.S. citizen</li> <li>• a lawful alien or legal resident alien in possession of a valid Permanent Resident Card (I-551).</li> </ul> <p>This provides:</p> <ul style="list-style-type: none"> <li>• the definition of “foreign person”</li> <li>• the form of INS-issued identification the non-U.S. citizen must possess.</li> </ul> <p>See table in paragraph 34 for program applicability.</p> <p>See 1-CM and 11-CM for creating and maintaining the customer record.</p>	<p>Paragraphs 338 through 340.</p> <p>The provisions for foreign person payment eligibility, which includes the specific requirement for significant contribution of active personal labor, capital, and land to the farming operation.</p> <p>This is the next or separate level of payment eligibility and not all programs are subject to this provision. The foreign person (as defined in category 1) must make a significant contribution of active personal labor (on-site), capital, and land to the farming operation before they can be considered eligible to receive program benefits.</p> <p>*--Participants in Title 1 Programs (ARCPLC and NAP), price,--* price support programs, and specific CRP contracts <b>are</b> subject to this provision.</p> <p>* * *</p>	<p>62-FI, Reporting Data to IRS.</p> <p>Fiscal and financial provisions on withholding, depositing, and reporting Nonresident Alien earnings’ and taxes to FSC and IRS.</p> <p>Payments issued under both categories 1 and 2 are subject to this <b>category</b>.</p> <p><b>Reminder:</b> 1-FI, paragraph 98, 30 Percent Tax Rate Withholding for Foreign Persons.</p>

**338 Foreign Person Payment Eligibility**

**A Introduction**

This paragraph provides the requirements to determine a foreign person eligible to receive payments, loans, or benefits subject to the foreign person rule for the programs listed in paragraph 34.

**B Contribution Requirements**

In addition to any other applicable requirements, the following significant contributions **must** be provided by a person or legal entity considered to be a foreign person.

Foreign Person	Who Must Make the Contribution	What Significant Contribution Must Be Provided
Person	Person	All of the following: <ul style="list-style-type: none"> <li>• active personal labor</li> <li>• capital</li> <li>• land</li> </ul>
Entity	Each foreign person who is a stockholder or other type of member	Active personal labor

**Note:** The eligibility determination will apply to **all** program benefits associated with payments, loans, and benefits subject to the foreign person rule, with respect to any commodity produced, for that crop year.

**C Active Personal Labor Exception for CRP**

Labor that is custom hired may be **excluded** when determining both the amount of labor necessary to conduct the farming operation and whether the foreign person has provided a significant contribution of active personal labor, if **both** of the following apply:

- the foreign person receives **only** CRP payments
- COC determines, and the State Office concurs, that this labor is **always** custom hired in the county.

**Note:** Exceptions must be producer-specific and documented on CCC-903 or attachment.

**339 Requesting Benefits for Nonforeign Shares****A Introduction**

Entities that have been determined ineligible for payment, loan, or benefit because of the foreign person rule may receive the amount of payment that represents the percentage interest of the entity that is owned by U.S. citizens or lawful aliens.

**Note:** This provision is also applicable to foreign stockholders, shareholders, or members of a legal entity if some, but **not** all, of the foreign persons provide a significant contribution of active personal labor.

**B Requesting Payment**

To receive the eligible portion of payment, loan, or benefit, the entity **must**:

- provide a written request for payment to COC that includes the percentage of foreign ownership (subparagraph C)
- receive an approval determination letter from COC (subparagraph D).

**Note:** CCC-902E and CCC-901 are considered acceptable written requests for the eligible portion of payments, loans, or benefits representative of the percentage of interest that is owned by U.S. citizens or lawful aliens.

339 Requesting Benefits for Nonforeign Shares (Continued)

C Example Letter From Foreign Entity

This is an example letter from a foreign entity, with foreign persons holding more than 10 percent, requesting percentage of eligible payments.

To: County Committee

From: Corporation/Entity

According to program provisions dealing with foreign persons having more than 10 percent beneficial ownership of an entity, the following request for payment of program benefits is made.

Listed below are the foreign persons holding a beneficial interest that totals more than 10 percent ownership of the entity:

Name	Percent of Ownership
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Total: \_\_\_\_\_

The information provided above indicates that \_\_\_\_\_ percent of the entity's ownership is held by U.S. citizens and/or lawful aliens. We formally request payment of this percentage of benefits that the entity is eligible to receive.

Signature \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Title

**339 Requesting Benefits for Nonforeign Shares (Continued)****D Example COC Approval Letter**

This is an example letter notifying a foreign entity, with more than 10 percent foreign ownership, of COC approval of request for payment.

Dear Producer:

The \_\_\_\_\_ County FSA Committee has reviewed your request for payment of eligible benefits. It is our finding that \_\_\_\_\_ percent of the beneficial ownership is held by foreign persons and ineligible for payment.

Based on this determination, \_\_\_\_\_ percent of payments earned by your entity will be eligible to be paid.

[Give appeal rights according to 1-APP (Rev. 2).]

This determination has been based on the facts as submitted. Any unrevealed circumstances could require the application of a more restrictive rule.

Sincerely,

County Executive Director

**340 Foreign Person Rule Notification Letter Examples**

**A Introduction**

This paragraph provides example notification letters to foreign persons.

**B Letters to Eligible Foreign Persons**

Insert the following statement in notification letters to foreign persons determined eligible for payments and other benefits.

“Based on the information you (your representative) provided, the \_\_\_\_\_ County FSA Committee has determined you to be a foreign person eligible to receive certain program benefits.”

**Note:** Insert the statement following the actively engaged in farming and person determinations.

**340 Foreign Person Rule Notification Letter Examples (Continued)****C Example Letter to Ineligible Foreign Persons**

This is an example notification letter to foreign persons determined ineligible for payments and other benefits.

Dear Producer:

Based on the information you (your representative) provided, the \_\_\_\_\_ County FSA Committee has determined you are a foreign person ineligible to receive certain program benefits. These benefits include payments and loans.

[Give appeal rights according to 1-APP (Rev. 2).]

This determination has been based on the facts as submitted. Any unrevealed circumstances could require the application of a more restrictive rule.

Sincerely,

County Executive Director

**D Letters to Ineligible Foreign Entities**

Insert the following statement in notification letters to ineligible foreign entities.

“Foreign entities that have been determined ineligible to receive certain benefits may request payment of the percentage of entity ownership held by U.S. citizens and/or lawful aliens. The request **must** be in writing and include the percentage of foreign ownership.”

**341-350 (Reserved)**





**Part 6 Payment Eligibility and Payment Limitation Determinations**

**Section 1 COC Determinations**

**351 COC Responsibilities**

**A Introduction [7 CFR 1400.2]**

COC must make the initial actively engaged in farming and eligibility reviews and determinations.

Payment eligibility determinations **must** be made within 60 calendar days after the required CCC-902, related forms, and supporting documentation needed in making payment eligibility determinations, are received in the County Office.

This table provides requirement deadlines for COC to make eligibility and actively engaged in farming determinations and producer notification.

<b>IF CCC-902 is filed for programs...</b>	<b>THEN make eligibility...</b>
<b>not</b> requiring actively engaged in farming determinations	determinations and notify producers within 60 calendar days of the date the complete CCC-902 was filed.
requiring actively engaged in farming determinations	and actively engaged in farming determinations and notify producers within 60 calendar days of the date the complete CCC-902 was filed.

**B Insufficient Information**

If the file does **not** contain adequate information for COC to make determinations, COC must request additional information. This does **not** extend COC’s 60-calendar-day time limit to make initial determinations.

**Note:** If the file does **not** contain sufficient information for a favorable determination, COC must make the determination, based on the file as it exists, to avoid a default determination.

**C Determination Appeals**

COC must hear appeals by applicants of the initial COC determinations of actively engaged in farming and eligibility.

## 352 COC Requirements to Make Timely Determinations

### A Overview

COC must make the initial actively engaged in farming and eligibility determinations within the deadlines established in paragraph 351.

**Note:** See paragraph 366 for required State Office determinations.

### B Definition of Default Determination

Default determination means all persons or legal entities are considered to be actively engaged in farming.

**Note:** Default determination only applies to actively engaged in farming and cash rent tenant provisions.

### C Rule

If COC does **not** make the initial determinations within the 60-calendar-day time limit, the applicant must receive a default determination. COC **must** still make actively engaged in farming and eligibility determinations. If the correct determination is different:

- FSA will honor the default determination for the current year, if the farm operation plan is followed **exactly**
- the proper determination will apply, if the farm operation plan is **not** followed exactly
- the proper determination will apply the following year, if the operation is **exactly** the same.

### D Notification to Producer

See paragraphs 390 and 391 for notification requirements of both the default and correct determination letters to the producer.

## 353 Completing CCC-903's

### A Introduction

COC must use CCC-903 to document producer determinations for payment limitation and \*--payment eligibility in all situations including, but not limited to, corrected and revised determinations. Programs for which producers make application, require specific--\* determinations for either payment limitation and/or payment eligibility (i.e. "actively engaged in farming", "cash-rent tenant" or "foreign person rules") as applicable. See paragraph 34 for program applicability.

**353 Completing CCC-903's (Continued)****B Documenting Determinations**

Record the factors on CCC-903 that COC used to make the Payment Limitation and Payment Eligibility determinations. For programs subject to both Payment Limitation and Payment Eligibility, CCC-903 must be completed in its entirety.

**C Programs Subject to Payment Limitation Only**

Complete Part A; identify the business type of the farming operation represented on CCC-902.

Complete Part B, items 1 through 10. Documenting a review of the elements affecting determinations for common attribution and substantive change.

Complete Part C, item 1 or 2 (as applicable) and items 3 and 4. A review of the contributions must be made and determined commensurate and at risk.

Complete Part E, Determinations of the Reviewing Authority:

- item 1 as it applies to Names and TIN's
- item 11 as it applies to Common Attribution
- item 13 as it applies to Substantive Change.

**Note:** Items 2 through 10 apply to determinations for “actively engaged in farming” and “cash-rent tenant” rules and must be marked “NOT APPLICABLE”.

Complete Part F, signature of COC, its designee, or State Office Specialist.

Complete Part G, documenting the actions for recording the determinations in Subsidiary and Business File.

**D Programs Subject to Payment Limitation and Payment Eligibility**

Complete CCC-903 in its entirety.

**E Documenting Determinations for Foreign Person Rules**

After reviewing a foreign person's or foreign entity's contributions to the farming operation, document the ineligible foreign person or foreign entity in Part E, item 12.

353 Completing CCC-903's (Continued)

F Example CCC-903 for FY 2020 and Subsequent Program Years

The following is an example of CCC-903.

This form is available electronically. <b>CCC-903</b> U.S. DEPARTMENT OF AGRICULTURE (09-28-20) Commodity Credit Corporation  <b>WORKSHEET FOR PAYMENT ELIGIBILITY AND PAYMENT LIMITATION DETERMINATIONS</b>		1. NAME
		2. COUNTY AND STATE
		3. PROGRAM YEAR
<b>PART A – TYPE OF OPERATION</b>		
4. The operation reviewed is a:		
<input type="checkbox"/> Person	<input type="checkbox"/> Sole Proprietor/Small Business	<input type="checkbox"/> General Partnership
<input type="checkbox"/> Estate	<input type="checkbox"/> City, County or State-owned Entity	<input type="checkbox"/> Joint Venture
<input type="checkbox"/> Charitable/Non-Profit	<input type="checkbox"/> Indians rep. by BIA	<input type="checkbox"/> Revocable Trust
<input type="checkbox"/> Corporation	<input type="checkbox"/> Irrevocable Trust	<input type="checkbox"/> Public School
<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Other: _____
<b>PART B - REVIEW OF PAYMENT LIMITATION AND PRODUCER ELIGIBILITY REQUIREMENTS</b>		
Answer the following questions by checking "YES", "NO" or "N/A".		
1. Are the Name and SSN (or EIN) provided for the person, legal entity and each member or interest holder? [7-CFR Part 1400.107 and 1-CM (Rev 3) Part 6]	YES	NO
	<input type="checkbox"/>	<input type="checkbox"/>
2. If participant is an Estate, has a tax identification number (EIN) been provided for the estate? [1-CM (Rev 3) Part 6]	<input type="checkbox"/>	<input type="checkbox"/>
3. If participant or any interest holder is a trust, has an EIN been provided for the trust, unless the trust is revocable trust and the grantor is the sole income beneficiary? [1-CM (Rev 3) Part 6]	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the person a US Citizen or a holder of a valid form I-551 (Alien Registration Receipt Card)? If the participant is a legal entity, are all interest holders US Citizens or holders of valid form I-551s? [6-PL Part 5, Section 11]	<input type="checkbox"/>	<input type="checkbox"/>
5. If this person or any interest holder in this legal entity is under 18-years-old, has the MINOR qualified to receive payment separate from the parent or guardian? (If "NO", See Common Attribution, Part E, Item 11.) [6-PL Part 3, Section 1]	<input type="checkbox"/>	<input type="checkbox"/>
6. If an irrevocable trust, has trust documentation been provided and is such documentation on file? [6-PL Part 5, Section 7]	<input type="checkbox"/>	<input type="checkbox"/>
7. If an irrevocable trust, does the corpus of the trust provide for modification of interest by the grantor, or provide for transfer to the remainder beneficiary in less than 20 years from the date the trust is established? [6-PL Part 5, Section 7]	<input type="checkbox"/>	<input type="checkbox"/>
8. For a State, political subdivision, or an agency thereof, is the land owned by the entity and used solely for the support of public schools? [6-PL Part 5, Section 9]	<input type="checkbox"/>	<input type="checkbox"/>
9. If a charitable organization, does the land or proceeds from the farming operation transfer to an entity that exercises control over the organization? (If "YES", See Common Attribution in Part E, Item 11) [6-PL Part 3, Section 1]	<input type="checkbox"/>	<input type="checkbox"/>
10. Is there an increase in persons to which payment limitation applies from the prior year?	<input type="checkbox"/>	<input type="checkbox"/>
Substantive change rules were met by (check each applicable substantive change): [6-PL Part 3, Section 2]	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Addition of _____ (number) adult family member(s)	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> For a landowner only, a change from cash rent to share rent	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> A 20% increase in land used for agricultural purposes, allowing recognition of one person or legal entity for payment	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> A qualifying change in ownership of equipment or livestock	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> A qualifying change in ownership of land	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Addition of equipment not previously involved in the farming operation	<input type="checkbox"/>	<input type="checkbox"/>
<b>PART C – REVIEW OF CONTRIBUTIONS TO THE FARMING OPERATION</b>		
CONTRIBUTIONS were determined as follows: Complete Item 1 if the participant is a PERSON. Complete Item 2 if the participant is a JOINT OPERATION or LEGAL ENTITY.		
1. The PERSON is determined to make the following CONTRIBUTIONS:	<input type="checkbox"/> ACTIVE PERSONAL LABOR	<input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT
	<input type="checkbox"/> LAND	<input type="checkbox"/> CAPITAL
	<input type="checkbox"/> EQUIPMENT	
2. The JOINT OPERATION or LEGAL ENTITY is determined to make the following CONTRIBUTION(S).	<input type="checkbox"/> LAND	<input type="checkbox"/> CAPITAL
	<input type="checkbox"/> EQUIPMENT	
MEMBERS of the JOINT OPERATION or LEGAL ENTITY are determined to make the following CONTRIBUTIONS:		
Member(s) Name(s):	<input type="checkbox"/> ACTIVE PERSONAL LABOR	<input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT
	<input type="checkbox"/> LAND	<input type="checkbox"/> CAPITAL
	<input type="checkbox"/> EQUIPMENT	

353 Completing CCC-903's (Continued)

F Example CCC-903 for FY 2020 and Subsequent Program Years (Continued)

<b>CCC-903</b> (09-28-20)		Page 2 of 4	
Participant's Name: _____		Crop Year: _____	
<b>PART C – REVIEW OF CONTRIBUTIONS TO THE FARMING OPERATION (Continued)</b>			
2.	Member(s) Name(s):	<input type="checkbox"/> ACTIVE PERSONAL LABOR	<input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT
		<input type="checkbox"/> LAND	<input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
	Member(s) Name(s):	<input type="checkbox"/> ACTIVE PERSONAL LABOR	<input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT
		<input type="checkbox"/> LAND	<input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
	Member(s) Name(s):	<input type="checkbox"/> ACTIVE PERSONAL LABOR	<input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT
		<input type="checkbox"/> LAND	<input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
	Member(s) Name(s):	<input type="checkbox"/> ACTIVE PERSONAL LABOR	<input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT
		<input type="checkbox"/> LAND	<input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
	Member(s) Name(s):	<input type="checkbox"/> ACTIVE PERSONAL LABOR	<input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT
		<input type="checkbox"/> LAND	<input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
	Member(s) Name(s):	<input type="checkbox"/> ACTIVE PERSONAL LABOR	<input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT
		<input type="checkbox"/> LAND	<input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
	Member(s) Name(s):	<input type="checkbox"/> ACTIVE PERSONAL LABOR	<input type="checkbox"/> ACTIVE PERSONAL MANAGEMENT
		<input type="checkbox"/> LAND	<input type="checkbox"/> CAPITAL <input type="checkbox"/> EQUIPMENT
<input type="checkbox"/> Additional Pages are attached to show contributions of additional members.			
<input type="checkbox"/> Special rules for SPOUSES or MINOR CHILDREN are used to credit a spouse with a significant contribution of active personal labor or active personal management in this farming operation. <span style="float: right;">[6-PL Paragraph 189]</span>			
3	Are CONTRIBUTIONS commensurate with the person's, legal entity's or member of a Joint Operation's claimed ownership share of the farming operation?	YES <input type="checkbox"/>	NO <input type="checkbox"/> <span style="float: right;">[6-PL Paragraph 150]</span>
4	Are CONTRIBUTIONS at RISK?	YES <input type="checkbox"/>	NO <input type="checkbox"/> <span style="float: right;">[6-PL Paragraph 151]</span>
<b>PART D – REVIEW OF PAYMENT ELIGIBILITY REQUIREMENTS for Actively Engaged in Farming and Cash Rent Tenant</b>			
		YES	NO
1.	Does this person or legal entity meet ALL the following with regard to the farming operation: <ul style="list-style-type: none"> <li>• has a separate and distinct interest in the land, crops, and livestock</li> <li>• demonstrates separate responsibility for the interest in land, crops and livestock</li> <li>• maintains funds and accounts separate from any other person or legal entity with an interest in the farming operation? <span style="float: right;">[6-PL Paragraph 144]</span></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Are cash rent tenant provisions met with significant contributions of either of the following: <i>(check as applicable)</i> <ul style="list-style-type: none"> <li><input type="checkbox"/> active personal labor, or</li> <li><input type="checkbox"/> active personal management and equipment <span style="float: right;">[6-PL Part 4, Section 2]</span></li> </ul> If participant is a joint operation, each member listed in Part C must meet cash rent tenant provisions. Ineligible members are: _____ (Note: Use Part H to list additional members)	<input type="checkbox"/>	<input type="checkbox"/>
3.	If equipment or land is leased from a person or legal entity with interest in this farming operation, are rates and repayment terms reasonable and customary for the area? (If "NO", the input is not a significant contribution.) <span style="float: right;">[6-PL Paragraph 145]</span>	<input type="checkbox"/>	<input type="checkbox"/>
4.	If hired labor and leased equipment originate from the same source, are separate contracts provided for the labor and for the equipment? (If "NO", equipment is not a significant contribution.) <span style="float: right;">[6-PL Paragraph 165]</span>	<input type="checkbox"/>	<input type="checkbox"/>

353 Completing CCC-903's (Continued)

F Example CCC-903 for FY 2020 and Subsequent Program Years (Continued)

CCC-903 (09-28-20)		Page 3 of 4		
Participant's Name: _____		Crop Year: _____		
<b>PART D – REVIEW OF PAYMENT ELIGIBILITY REQUIREMENTS for Actively Engaged in Farming and Cash Rent Tenant (Continued)</b>				
5. For an LP, LLP, LLC, corporation or similar legal entity, did all partners, stockholders or members with an ownership interest represent a contribution of active personal labor and/or active personal management to the farming operation that meets all of the following: 1) performed on a regular basis; 2) identifiable and documentable; and 3) separate and distinct from any other partner, stockholder, or member with an ownership interest in the farming operation? <span style="float: right;">[6-PL Paragraph 258]</span>	YES	NO	N/A	
	<input type="checkbox"/>	<input type="checkbox"/>		
6. For any partner, stockholder or member that failed to meet the requirement in Item 3, are both of the following requirements met for an exception? <ul style="list-style-type: none"> <li>• Total PLC and ARC payments received collectively by all partners, stockholders, and members directly and indirectly, does not exceed \$125,000; <b>AND</b></li> <li>• At least 50 percent of the ownership interest in the legal entity is held by partners, stockholders, or members that are actively providing labor and management to the farming operation of the legal entity? <span style="float: right;">[6-PL Paragraph 258]</span></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. List all partners, stockholders, or members that do not meet requirements in Item 5 and to whom the exception in Item 6 is not applicable.				
<b>PART E – DETERMINATIONS OF THE REVIEWING AUTHORITY</b>				
Based on the information provided, COC determined the following: (Or, for joint operations with 6 or more members, the State Office determined):				
	YES	NO	N/A	
1. The farming operation is ELIGIBLE for payment because the NAME and SSN or EIN of each member or interest holder was provided. If "NO", the farming operation is ineligible for payment. <span style="float: right;">1-CM (Rev 3) Part 6]</span>	<input type="checkbox"/>	<input type="checkbox"/>		
2. LANDOWNER PROVISIONS apply to all or part of this participant's farming operation. <span style="float: right;">[6-PL Paragraph 152]</span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. For PERSONS or LEGAL ENTITIES: The person's or entity's contributions are SIGNIFICANT, COMMENSURATE and AT RISK; <u>And</u> the person or entity is ACTIVELY ENGAGED IN FARMING. (If "NO", explain in REMARKS) <span style="float: right;">[6-PL Paragraphs 200-208; 258-260]</span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. For JOINT OPERATIONS ONLY, each member's contributions are SIGNIFICANT, COMMENSURATE and AT RISK; <u>And</u> EACH MEMBER is ACTIVELY ENGAGED IN FARMING. (If "NO", explain in REMARKS) <span style="float: right;">[6-PL Paragraphs 220-225]</span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. A CROPLAND FACTOR applies because CASH RENT TENANT rules are not met by the person, the entity, or by one or more members of the joint operation; or because the participant is only partially ACTIVELY ENGAGED IN FARMING (If "YES", explain in Part H) <span style="float: right;">[6-PL Paragraph 177]</span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. For JOINT OPERATIONS; are the members, including members of an embedded entity, ALL family members? <span style="float: right;">[6-PL Paragraph 222]</span>	<input type="checkbox"/>	<input type="checkbox"/>		
7. (For 2016 and subsequent years) For JOINT OPERATIONS of nonfamily members. Each member's contributions are SIGNIFICANT, COMMENSURATE and AT RISK; <u>And</u> EACH MEMBER is ACTIVELY ENGAGED IN FARMING. (If "NO", explain in Part H) <span style="float: right;">[6-PL Paragraphs 220-246]</span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8. (For 2016 and subsequent years) For JOINT OPERATIONS of nonfamily members. The farming operation requested one person to qualify as actively engaged in farming with only a significant contribution of active personal management. <span style="float: right;">[6-PL Paragraphs 220-246]</span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9. (For 2016 and subsequent years) For JOINT OPERATIONS of nonfamily members. The farming operation requested more than one person to qualify as actively engaged in farming with only significant contributions of active personal management and the criteria for operation size (for one additional person), or both operation size and or complexity (for two additional persons) was met. <span style="float: right;">[6-PL Paragraph 220 -246]</span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

353 Completing CCC-903's (Continued)

F Example CCC-903 for FY 2020 and Subsequent Program Years (Continued)

<b>CCC-903</b> (09-28-20)		Page 4 of 4	
Participant's Name: _____		Crop Year: _____	
<b>PART E – DETERMINATIONS OF THE REVIEWING AUTHORITY (Continued)</b>			
<p>10. (For 2016 and subsequent years) For JOINT OPERATIONS of nonfamily members. A PAYMENT REDUCTION applies because:</p> <ul style="list-style-type: none"> <li>- a member failed to make a significant contribution of active personal labor to the farming operation;</li> <li style="text-align: center;">OR</li> <li>- a member failed to make a significant contribution of active personal management to the farming operation that meets all of the following: 1) performed on a regular, continuous, and substantial basis; and 2) the amount equals or is greater than 25 percent of the total management hours required for the farming operation annually, or the amount equals or exceeds 500 hours of management annually to the farming operation to be considered significant;</li> <li style="text-align: center;">OR</li> <li>- the farming operation requested that more than one person to qualify as making a significant contribution of active personal management and a member failed the management recordkeeping requirements;</li> <li>- a member failed to make a significant contribution of the <u>combination of active personal labor and active personal management</u> to the farming operation that meets all of the following: 1) performed on a regular, continuous, and substantial basis; 2) critical to the profitability of the farming operation; and 3) the hourly total when added together was at least equal to the minimum number of hours threshold based on the proportionate share of the labor and management activities performed.</li> </ul> <p style="text-align: right; margin-right: 50px;"><b>[6-PL Paragraphs 220-246]</b></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. COMMON ATTRIBUTION applies to the following:			
12. Ineligible FOREIGN PERSONS are:			
13. SUBSTANTIVE CHANGE was required, but NOT MET by:			
<b>PART F – SIGNATURE OF REVIEWING AUTHORITY</b>			
1. COC or STO Representative Signature	2. Title	3. Date	
<b>PART G – ACTIONS COMPLETED</b>			
	Action	Date	
1. Written NOTICE OF DETERMINATION issued to all parties.	<b>[6-PL Part 6 Section 4]</b>		
2. Determinations recorded in the WEB ELIGIBILITY files.	<b>[3-PL (Rev. 2)]</b>		
3. For Entities and Joint Operations: Subsidiary files were verified or updated to reflect correct. <ul style="list-style-type: none"> <li>- members</li> <li>- shares</li> <li>- substantive change status</li> </ul>			
4. As applicable, a CROPLAND FACTOR was computed and recorded in web eligibility files.	<b>[6-PL Paragraph 177]</b>		
5. If the participant has interests in multiple counties, notify the other counties of the determinations and obtain concurrence.	<b>[6-PL Paragraphs 20-21]</b>		
<b>PART H – REMARKS</b>			
<p><i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, age, disability, sex, gender identity including gender expression, sexual orientation, disability, age, marital status, family/parental status, income derived from public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i></p> <p><i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</i></p> <p><i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9092. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program_intake@usda.gov">program_intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</i></p>			

**354 Corrective Actions**

**A Introduction**

If DD’s review of COC determinations or County Office determination handling reveals errors or other problems, DD’s must take immediate and appropriate action.

**B Guidelines**

DD’s must determine the magnitude of the situation when errors or problems are discovered. Based on the magnitude, DD’s must determine how to provide assistance to correct the situation.

DD’s must use this table to decide the best way to handle situations.

<b>IF the error or problem is...</b>	<b>THEN...</b>
isolated to a small number of cases	review with COC or County Office the correct procedure and corrective action, if applicable.
Widespread	<ul style="list-style-type: none"> <li>• review with COC or County Office the correct procedure and corrective action</li> <li>• contact State Office specialist to determine whether additional action, such as training, is necessary.</li> </ul>
recurring after DD’s guidance to correct	contact State Office specialist for assistance in correcting the situation.

**C Subsequent Review**

After subsequent visits to County Offices, DD’s must review to determine whether:

- errors or problems have been resolved
- COC or County Office is following procedure.

**D Report to State Office**

DD must be prepared to report to STC or State Office any errors or problems encountered in the district.



**355 DD Disagreement With COC Determinations**

**A Introduction**

DD's do **not** have authority to overrule COC determinations.

**B Determination Disagreements**

If a disagreement on the determination **cannot** be resolved at the local level, DD must:

- submit the case with all documentation to STC for a determination
- transmit the file with a memorandum containing a short narrative explaining:
  - why COC determination is believed to be incorrect
  - DD's recommended determination.

**356-365 (Reserved)**



## Section 2 State Office Determinations

## 366 Required State Office Determinations

## A Rule on Required State Office Determinations

[7 CFR 1400.2] State Office review and determination is:

- **required** in 2014 and subsequent years for initial eligibility and actively engaged in farming determinations for joint operations with 6 or more members
- **not** required in 2014 and subsequent years when **both** of the following apply:
  - State Office made eligibility and actively engaged in farming determinations for the joint operation in a previous year
  - producer certifies minor changes in the farming operation and COC determines that the changes will **not** affect determinations previously made by the State Office.

**Notes:** State Offices are **not** required to make initial determinations for Indians receiving payment through affiliation with BIA or on lands owned by or held in trust for an Indian tribal venture.

Complex cases **must** be reviewed by STC.

COC's must **not** make or recommend a determination.

366 Required State Office Determinations (Continued)

**B Related Farming Operations**

If State Office is required to make eligibility and actively engaged in farming determinations for a producer and the producer is also involved in another farming operation as an individual or member of a joint operation or entity:

- CCC-902’s for the other farming operations are **not** required to be sent to the State Office for determination

**Exception:** If there is reason to believe the additional CCC-902’s would change the determination, the State Office may require CCC-902’s for the other farming operations.

- the applicable recording COC for the other farming operations must:
  - make the required determinations for that farming operation
  - notify the producer.

**C Determination Deadlines**

This table provides deadlines for the State Office to make eligibility and actively engaged in farming determinations and producer notification. See subparagraph 367 B.

<b>IF CCC-902 is filed for programs...</b>	<b>THEN make...</b>
not requiring an actively engaged in farming determination	an eligibility determination and notify the producer within 60 calendar days of the date the applicable CCC-902 was filed.  <b>Note:</b> An actively engaged in farming determination is <b>not</b> required until benefits are requested for a program requiring an actively engaged in farming determination.
requiring an actively engaged in farming determination	eligibility and actively engaged in farming determinations, and notify the producer within 60 calendar days of the date the applicable CCC-902 is filed.

**D Default Determinations**

If the State Office does **not** make the initial determinations within the 60-calendar-day time limit, the applicant must receive a default determination according to paragraph 390.

**367 Required Documentation****A Sending Files to the State Office**

If a State Office determination is required according to this paragraph, County Offices must scan, encrypt, and email, the new or updated CCC-902's with supporting documentation to State Office no later than 3 workdays following the day CCC-902's were received in the County Office.

Supporting documentation may include:

- copy of cash or share leases
- legal documentation about:
  - corporations
  - land ownership
  - partnerships
  - trusts
- additional documentation, as required by the State Office.

**B Informing Joint Operations With 6 or More Members of the State Office Determination**

County Offices must inform the farming operation that:

- CCC-902 and supporting documentation, if applicable, has been sent to the State Office according to the requirement that State Offices make initial eligibility and actively engaged in farming determinations for joint operations with 6 or more members
- determination notifications will be sent from the State Office.

**368-377 (Reserved)**



Section 3 Relief and Incorrect Determinations

378 Misaction or Misinformation [7 CFR 1400.8]

A Background

See 7-CP for cases involving misaction or misinformation.

B Incorrect Payment Limitation or Actively Engaged in Farming Determination Corrective Action

Use this table if a payment limitation or actively engaged in farming determination is found to be in error by any reviewing authority.

IF a determination is found to be in error...	THEN the...
within 60 calendar days of the date the producer filed a complete CCC-902	<ul style="list-style-type: none"> <li>• producer must be immediately notified of the corrected determination and advised of the right to appeal according to 1-APP</li> <li>• corrected determination must be applicable for the current year, <b>unless</b> COC determines and DD concurs that both of the following apply:                             <ul style="list-style-type: none"> <li>• error was <b>not</b> so great that the producer should have noticed the error</li> <li>• producer, relying on the erroneous written determination and acting in good faith:                                     <ul style="list-style-type: none"> <li>• materially changed plans because of the erroneous determination</li> <li>• was <b>not</b> notified in time to comply with the correct determination without suffering a loss.</li> </ul> </li> </ul> </li> </ul>

378 Misaction or Misinformation [7 CFR 1400.8] (Continued)

**B Incorrect Payment Limitation or Actively Engaged in Farming Determination Corrective Action (Continued)**

<p><b>IF a determination is found to be in error...</b></p>	<p><b>THEN the...</b></p>
<p>but <b>not</b> within 60 calendar days of the date the producer filed a complete CCC-902</p>	<ul style="list-style-type: none"> <li>• initial determination must be considered a default determination as defined in paragraph 352 for the current year and any previous year to which CCC-902 is applicable</li> </ul> <p><b>Exception:</b> The correct determination must apply for the current year if <b>both</b> of the following apply:</p> <ul style="list-style-type: none"> <li>• incorrect determination was made in a previous year and considered to be in effect for subsequent years</li> <li>• error was discovered and the producer was notified <b>before</b> a payment.</li> </ul> <ul style="list-style-type: none"> <li>• producer must be notified of the correct determination according to paragraph 390.</li> </ul>

**Note:** The provisions of this paragraph are not applicable to average AGI determinations.

379-388 (Reserved)



## Section 4 Producer Notification of Determinations

### 389 Notifying Producers of COC Determinations

#### A Rule

County Offices must notify producers of COC's payment eligibility and payment limitation determinations **no** later than 60 calendar days after the date the completed CCC-902 was filed.

#### B Types of Notifications and Requirements

County Offices must include the following types of determinations, as applicable, in the notification letters to farming operations:

- actively engaged and cash rent tenant determinations, including the application of a cropland factor
- the number of payment limitations including direct attribution and common attribution
- substantive change
- determinations for restricting the number of managers in non-family joint operations, including the record keeping requirements
- default determination and proper determination
- foreign person or foreign entity eligibility and foreign person rules.

County Offices must include the following statements in the notification letters to farming operations:

- notification of interests when the name, address, and TIN of each member, person, and legal entity, including persons and legal entities in each lower level of embedded legal entities has not been provided
- the statement, "This determination is based on facts as submitted. You are responsible for promptly notifying the County Office of any change that would affect these determinations. Any unrevealed circumstances could require the application of a more restrictive rule."
- these determinations will remain in effect for the current and subsequent years and a new farm operating plan will not be required unless a change occurs in the farming operation that would affect these determinations
- applicable appeal rights according to 1-APP.

**390 Default Determinations and Proper Determinations****A Rule**

Every participant must receive a Payment Eligibility determination and receive notification **no** later than 60 calendar days after submitting a completed CCC-902. If COC **cannot** make an initial determination within the required 60-calendar-day period, the producer will receive and be notified of a default determination.

A default determination applies only to determinations of Payment Eligibility, including:

- “Actively Engaged in Farming” Rules
- “Cash-Rent Tenant” Rules
- “Foreign Person Rules”.

A default determination does **not** relieve COC from making a proper determination. If the proper determination is different from the default determination, notify the producer of the following:

- that FSA will honor the default determination for the current year, if the operating plan is followed **exactly** as represented to FSA
- the proper determination.

**Note:** The proper determination will apply for the:

- current year, if it is determined that the farm operating plan is **not** followed **exactly** as represented to FSA
- following year, if the farming operation is conducted **exactly** the same in the following year.

## 390 Default Determinations and Proper Determinations (Continued)

**B Notifying Producer of Default Determination and Proper Determination**

Use the following sample letter to notify the producer of both the Default Determination and Proper determination.

[Letterhead]

Riverside County FSA Office  
Box 123  
Anytown CA 92241-0123

Date

Ms. Becky Montana, President  
Montana Farms, Inc.  
P O Box 3  
Anytown CA 92241-0003

Dear Ms. Montana:

The [insert] County FSA Committee did **not** complete its review within 60 calendar days of the date the [insert program year] CCC-902 was filed in the County Office. Therefore, you will receive the original determination that you sought for [insert program year], provided the information given accurately reflects your farming operation. Montana Farms, Inc., will be considered. [Insert the defaultt determination response; for example; actively engaged in farming] Any payments received by this corporation will be attributed to each stockholder listed, based on the ownership shares as represented.

The [Insert] County FSA Committee has completed its review of the Farm Operating Plan (form CCC-902) submitted for program year [Insert Year] and found the determination listed above for [Insert Program Year] to be [correct or incorrect]. If there are no changes in your operation for [Insert following program year] and subsequent years, the following determination will be effective for those years. [Insert the correct determination response; for example; actively engaged in farming]

This determination is based on the facts as submitted. Any unrevealed circumstances could require the application of a more restrictive rule.

If it is subsequently determined that the farming operation was **not** conducted as indicated on form CCC-902, the determination sought by you will no longer automatically apply, and a more restrictive determination may be applied

[Give appeal rights according to 1-APP (Rev. 2).]

Sincerely,

Tom Jones  
County Executive Director

**391 Notification Letters****A Introduction**

Use the example notification letters in subparagraphs B and C as guides when notifying participants of payment eligibility and payment limitation determinations.

**B Letter for an Individual**

This is an example of a letter notifying the producer of COC determination for an individual.

*[Letterhead]*

Date

Mr. Charles Ludlow  
2342 Burke Rd  
Glen Rose, TX 74444

Dear Mr. Ludlow:

The Erath County FSA Committee has completed its review of your farm operating plan for *[year]*. Based on the information submitted, the Committee determined the following:

- you are “actively engaged in farming” and eligible for payments and benefits that may be requested under programs subject to the payment eligibility and payment limitation provisions
- you are restricted to one limitation for payment limitation purposes.

These determinations will remain in effect for the current and subsequent years and a new farm operating plan will not be required unless a change occurs in your farming operation that would affect these determinations.

These determinations are based on the facts as submitted. You are responsible for promptly notifying the County FSA Office in writing of any change that would affect these determinations. Any unrevealed circumstances could require the application of a more restrictive rule.

*[Provide appeal rights according to 1-APP (Rev. 2) if determination is adverse.]*

Sincerely,

Joe B. Grumpy  
County Executive Director

391 Notification Letters (Continued)

C Letter for a Legal Entity

This is an example of a letter notifying the producer of COC determination for a legal entity.

[Letterhead]

Date

Mr. John Hardesty  
 J and J Inc.  
 N 1024 Rd  
 Someplace, OK 98764

Dear Mr. Hardesty:

The Sooner County FSA Committee has completed the review of the farm operating plan and supporting documentation submitted on behalf of J and J Inc. for [year]. The Sooner County FSA Committee understands that J and J Inc. is a properly chartered corporation having 2 stockholders, each owning 50 percent of the stock. Corporate interests are as follows:

<u>Individual/legal entity</u>	<u>Percent Interest</u>
John Hardesty	50
Jimmy Hardesty	50

Based on the information submitted, the Committee determined the following:

- J and J Inc. is “actively engaged in farming” and eligible for payments under programs subject to the payment eligibility and payment limitation provisions
- J and J Inc. is restricted to one limitation for payment limitation purposes and payments will also be attributed to each stockholder in accordance with the ownership share represented.

These determinations will remain in effect for the current and subsequent years and a new farm operating plan will not be required unless a change occurs in your farming operation that would affect these determinations.

These determinations are based on the facts as submitted. You are responsible for promptly notifying the County FSA Office in writing of any change that would affect these determinations. Any unrevealed circumstances could require the application of a more restrictive rule.

[Provide appeal rights according to 1-APP (Rev. 2) if determination is adverse.]

Sincerely,

Jane C. Doe  
 County Executive Director

391 Notification Letters (Continued)

C Letter for a Legal Entity (Continued)

[Letterhead]

Date

Mr. John Smith  
 S & J LLC  
 N Dusty Road  
 Sometown, NE 98764

Dear Mr. Smith:

The Huskers County FSA Committee has completed the review of the farm operating plan and supporting documentation submitted on behalf of J & S LLC for [year]. The Huskers County FSA Committee understands that J & S LLC is a properly organized limited liability company with 2 interest holders, each owning 50 percent of the entity. Entity interests are identified as follows:

<u>Individual/legal entity</u>	<u>Percent Interest</u>
John Smith	50
Jimmy Jones	50

Based on the information submitted, the Committee determined the following:

- J & S LLC is not “actively engaged in farming” and not eligible for payments under programs subject to the payment eligibility and payment limitation provisions.
- These determinations will remain in effect for the current and subsequent years and a new farm operating plan will not be required unless a change occurs in your farming operation that would affect these determinations.

These determinations are based on the facts as submitted. You are responsible for promptly notifying County FSA Office in writing of any change that would affect these determinations. Any unrevealed circumstances could require the application of a more restrictive rule.

[Provide appeal rights according to 1-APP (Rev. 2).]

Sincerely,

Jane C. Doe  
 County Executive Director

391 Notification Letters (Continued)

**D Letter for a Joint Operation, Eligible for Payment**

This is an example of a letter notifying the producer of COC determination for a joint operation, eligible for payment.

<p>(Date)</p> <p>PRODUCER NAME ADDRESS1 ADDRESS2</p> <p>Dear JOINT OPERATION NAME:</p> <p>The COUNTY NAME County FSA Committee has completed its review of the YEAR farm operating plan and supporting documentation for JOINT OPERATION NAME, a joint operation. The County Committee did not consider any other farming operations in which the joint operation is involved as a member of an entity or a member of another joint operation because these determinations will be made with respect to the Farm Operating Plans filed by such entities or joint operations.</p> <p>Based on the information submitted, the County Committee determined that the following members of JOINT OPERATION NAME, a joint operation, are eligible for payments subject to the payment eligibility and payment limitation provisions:</p> <table border="0"> <thead> <tr> <th>Member Name</th> <th>Percent Share</th> </tr> </thead> <tbody> <tr> <td>(MEMBER NAME)</td> <td>XX</td> </tr> <tr> <td>(MEMBER NAME)</td> <td>XX</td> </tr> <tr> <td>(MEMBER NAME)</td> <td>XX</td> </tr> <tr> <td>(MEMBER NAME)</td> <td>XX</td> </tr> <tr> <td>(MEMBER NAME)</td> <td>XX</td> </tr> </tbody> </table> <p>The COUNTY NAME County Committee determined each member:</p> <ul style="list-style-type: none"> <li>• is actively engaged in farming</li> <li>• (only include this statement if it applies) meets cash rent tenant rules</li> <li>• is restricted to one limitation for payment purposes and payments will be attributed to each member in accordance with their ownership share. Payments to members who are entities will be attributed to members based on their ownership shares to the 4th level of ownership.</li> </ul>	Member Name	Percent Share	(MEMBER NAME)	XX	(MEMBER NAME)	XX	(MEMBER NAME)	XX	(MEMBER NAME)	XX	(MEMBER NAME)	XX
Member Name	Percent Share											
(MEMBER NAME)	XX											
(MEMBER NAME)	XX											
(MEMBER NAME)	XX											
(MEMBER NAME)	XX											
(MEMBER NAME)	XX											

391 Notification Letters (Continued)

D Letter for a Joint Operation, Eligible for Payment (Continued)

*(Only include this statement if it applies)* Payments will be restricted as indicated:

- MEMBER NAME, a minor child, will have payments attributed to PARENT’S NAME
- MEMBER NAME, a revocable trust, will have payments attributed to GRANTOR’S NAME

These determinations will remain in effect for the current and subsequent years. A new farm operating plan will not be required unless a change occurs that would affect the determinations.

*(Only include this statement if it applies)* The following member(s) were designated and approved as Farm Manager(s) for this non-family member joint operation:

(MEMBER NAME)  
 (MEMBER NAME)  
 (MEMBER NAME)

The total number of approved Farm Managers may not exceed a maximum of three for a non-family member joint operation. Additional record keeping requirements apply where there is more than one Farm Manager designated and approved. The record keeping requirement can be met by each member of the farming operation maintaining a separate CCC-902 MR, Management Activity Record, for each month of the applicable program year. Copies of this form may be obtained at your local FSA office, or online at

**<http://forms.sc.egov.usda.gov//efcommon/eFileServices/eForms/CCC902MR.PDF>**.

These determinations are based on the facts as submitted. You are responsible for promptly notifying the COUNTY NAME County Office in writing of any change which would affect these determinations. Any unrevealed circumstances could require the application of a more restrictive rule.

Sincerely,

CED Name  
 County Executive Director  
 County name  
 FSA Office



391 Notification Letters (Continued)

**E Letter for a Joint Operation, Ineligible for Payment**

This is an example of a letter notifying the producer of COC determination for a joint operation, ineligible for payment.

(Date)

PRODUCER  
NAME  
ADDRESS1  
ADDRESS2

Dear JOINT OPERATION NAME:

The COUNTY NAME County FSA Committee has completed its review of the YEAR farm operating plan and supporting documentation for JOINT OPERATION NAME, a joint operation. The County Committee did not consider any other farming operations in which the joint operation is involved as a member of an entity or a member of another joint operation because these determinations will be made with respect to the Farm Operating Plans filed by such entities or joint operations.

Based on the information submitted, the County Committee determined that the following members of JOINT OPERATION NAME, a joint operation, are eligible for payments subject to the payment eligibility and payment limitation provisions:

Member Name	Percent Share
(MEMBER NAME)	XX
(MEMBER NAME)	XX
(MEMBER NAME)	XX
(MEMBER NAME)	XX

The COUNTY NAME County Committee determined each member:

- is actively engaged in farming
- (only include this statement if it applies) meets cash rent tenant rules
- is restricted to one limitation for payment purposes and payments will be attributed to each member in accordance with their ownership share. Payments to members who are entities will be attributed to members based on their ownership shares to the 4th level of ownership.

391 Notification Letters (Continued)

E Letter for a Joint Operation, Ineligible for Payment (Continued)

*(Only include this statement if it applies)* Payments will be restricted as indicated:

- MEMBER NAME, a minor child, will have payments attributed to PARENT’S NAME
- MEMBER NAME, a revocable trust, will have payments attributed to GRANTOR’S NAME

The County Committee further determined that the following members are NOT ELIGIBLE for payment for the following reasons:

Member Name	Percent Share	Reason for Ineligibility (describe as applicable)
(MEMBER NAME)	XX	(for example: This member is not actively engaged in farming. The member does not make a significant contribution of active personal labor or active personal management.)
(MEMBER NAME)	XX	(for example: This member does not meet cash rent tenant rules. A significant contribution of equipment is provided by the joint operation, but this member does not make a significant contribution of active personal labor or active personal management)
(MEMBER NAME)	XX	(for example: This member is a foreign person who does not meet foreign person rules. Capital and land are provided, but a significant contribution of active personal labor is not provided.

These determinations will remain in effect for the current and subsequent years. A new farm operating plan will not be required unless a change occurs that would affect the determinations.

*(Only include this statement if it applies)* The following member(s) were designated and approved as Farm Manager(s) for this non-family member joint operation:

- (MEMBER NAME)
- (MEMBER NAME)
- (MEMBER NAME)

391 Notification Letters (Continued)

E Letter for a Joint Operation, Ineligible for Payment (Continued)

The total number of approved Farm Managers may not exceed a maximum of three for a non-family member joint operation. Additional record keeping requirements apply where there is more than one Farm Manager designated and approved. The record keeping requirement can be met by each member of the farming operation maintaining a separate CCC-902 MR, Management Activity Record, for each month of the applicable program year. Copies of this form may be obtained at your local FSA office, or online at

**<http://forms.sc.egov.usda.gov//efcommon/eFileServices/eForms/CCC902MR.PDF>**

These determinations are based on the facts as submitted. You are responsible for promptly notifying the COUNTY NAME County Office in writing of any change which would affect these determinations. Any unrevealed circumstances could require the application of a more restrictive rule.

[Provide appeal rights according to 1-APP (Rev. 2).]

Sincerely,

CED Name  
County Executive Director  
County name  
FSA Office

## 391 Notification Letters (Continued)

**F Example Notification – Actively Engaged in Farming Not Required Letter**

This is an example of a letter notifying a producer of eligibility determinations when actively engaged in farming and cash-rent tenant provisions are **not** required for payment eligibility purposes.

<p>Producer Name          Producer Address</p> <p>RE: Payment Eligibility Determination</p> <p>Dear Producer:</p> <p>The _____ County FSA Committee has completed its review of your farm operating plan and (year). Based on the information submitted, the Committee determined the following:</p> <ul style="list-style-type: none"> <li>• Foreign Person and Minor Child Rules have been met</li> <li>• Common attribution does not apply for payment limitation purposes</li> <li>• Claimed shares are commensurate and at risk</li> <li>• Substantive change provisions have been met</li> </ul> <p>Actively engaged in farming and cash-rent tenant provisions are not applicable to the program payments and benefits requested.</p> <p>These determinations apply for the year and program(s) for which payments and benefits were requested.</p> <p>These determinations are based on the facts as submitted. You are responsible for promptly notifying the County FSA Office in writing of any change that would affect these determinations. Any unrevealed circumstances could require the application of a more restrictive rule.</p> <p>Sincerely,</p> <p>CED NAME          County Executive Director</p>
---

## 391 Notification Letters (Continued)

**G Example Notification – Substantive Change Provisions Met**

This is an example of a letter notifying a producer of substantive change payment eligibility purposes.

*[Insert Date]*

Producer Name  
Producer Address

Dear Producer:

The *[COC or other reviewing authority]* has determined that the addition of *[First/Last Name]* to the farming operation results in an increase in [members, stockholders, or partners] to which Payment Limitation applies. 7-CFR § 1400.104 requires that to recognize the increase in “persons” the farming operation must have a change that is substantive and bona-fide. Such changes must be a legitimate business transaction and may include any one of the following:

- The addition of a family member to the farming operation
- For landowners, a change from cash rent to share rent
- The addition of land used for agricultural purposes (at least 20 percent)
- The change in ownership of equipment or land
- The addition of equipment to the farming operation

The *[COC or other reviewing authority]* has determined that the farming operation has met the requirements by *[list qualifying element]* which allows for recognizing the addition of *[First/Last Name]* to the farming operation as an additional “person” to which payment limitation applies.

This determination is based on the facts as submitted. You are responsible for promptly notifying NAME County FSA office of any change that would affect the determination

Sincerely,

CED NAME  
County Executive Director

**391 Notification Letters (Continued)****H Example Notification – Substantive Change Provisions Not Met**

This is an example of a letter notifying a producer of substantive change payment eligibility purposes is not met.

<p><i>[Insert Date]</i></p> <p>Producer Name Producer Address</p> <p>Dear Producer:</p> <p>The <i>[COC or other reviewing authority]</i> has determined that the addition of <i>[First/Last Name]</i> to the farming operation results in an increase in [members, stockholders, or partners] to which Payment Limitation applies. 7-CFR § 1400.104 requires that to recognize the increase in “persons” the farming operation must have a change that is substantive and bona-fide. Such changes must be a legitimate business transaction and may include any one of the following:</p> <ul style="list-style-type: none"> <li>• The addition of a family member to the farming operation</li> <li>• For landowners, a change from cash rent to share rent</li> <li>• The addition of land used for agricultural purposes (at least 20 percent)</li> <li>• The change in ownership of equipment or land</li> <li>• The addition of equipment to the farming operation</li> </ul> <p>In accordance with 7-CFR § 1400.104, the <i>[insert name]</i> County FSA County Committee has determined that the farming operation has not realized a qualifying change to allow for recognizing the addition of <i>[First/Last Name]</i> to the farming operation as an additional “person” to which payment limitation applies. This determination applies for the current year and any subsequent year, until the farming operation reports a qualifying change that would allow for recognizing <i>[First/Last name]</i> for payment limitation purposes.</p> <p>This determination is based on the facts as submitted. You are responsible for promptly notifying <i>[insert NAME]</i> County FSA office of any change that would affect the determination. If you have specific questions about your eligibility, please contact <i>[insert CED NAME]</i> at <i>[XXX-XXX-XXXX]</i>. If you believe that FSA has not properly considered the facts related to the determination of your eligibility under the substantive change provisions, you have the following options.</p> <p>[Provide appeal rights according to 1-APP (Rev. 2).]</p> <p>Sincerely,</p> <p>CED NAME County Executive Director</p>
--

**392-401 (Reserved)**

**Section 5 Reports****402 Subsidiary Reports****A Reports in Enterprise Data Warehouse**

Several reports are available in Enterprise Data Warehouse to assist County Offices in the management of producer eligibility, member interest in entities, and payment limitation by applicable program. Refer to 12-CM

- Common Producer Eligibility: This report shows producers associated with a county when their recording county is another location, listing all subsidiary flag settings by selected program year.
- Entity Jt. Op Member: This report can be run by county. It is designed to show all entities associated with the county, listing members of the entities and percent share interest, plus contact information and recording county.
- Program Payment and Payment Limitation: This report is designed to show program generating the payment, the payment limitation for the program specified, and the payments disbursed that are applicable to the payment limitation.

**403-412 (Reserved)**





**Part 7 EYR's for 2014 and Subsequent Years**

**Section 1 Selections and Notifications**

**413 Overview**

**A Introduction**

The determinations required by this handbook are made by the reviewing authority based on the producer's certification of the farming operation as represented on CCC-902's and supporting documents.

To maintain the integrity of payment limitation and payment eligibility provisions, EYR's are conducted to determine that farming operations were carried out as represented when initial determinations were made.

\*--Reviews must be completed timely and errors identified must be accurately reported.--\*

**B Purpose**

This section provides instructions for selecting and notifying producers of EYR.

**414 Selection Process****A Introduction**

Producers selected for EYR may be chosen for the following reasons:

- a judgmental selection by DAFP
- a required spot check
- an additional case selected for review by the reviewing authority.

**B Judgmental Selection**

A judgmental selection is performed on a nationwide basis to select producers for review using criteria including, but not limited to:

- the restructure of a farming operation in the past year by the addition of a new partner, deletion of a partner, change in stockholders, etc.
- the formation of a new farming operation in the past year
- a comparison of farming operations to determine whether an individual or legal entity is involved in more than 1 operation
- farming operations earning more than a specified dollar amount.

**C Required Spot Checks**

A default determination made according to paragraph 390 must be selected as EYR if the proper determination made according to paragraph 351 differed from the default determination.

**Note:** Determinations involving FSA employees are required to be selected for review only if selected according to this paragraph.

## 414 Selection Process (Continued)

**D Additional Cases**

In addition to cases that are judgmentally selected, or otherwise required to be selected, the following cases will also be selected for EYR:

- any case which the reviewing authority has reason to believe the farm operating plan was not followed as represented
- any cases considered necessary by a State Office representative to maintain program integrity.

**E Timing EYR's**

Complete EYR's by the date established by STC, according to paragraph 16.

\*--State Offices are responsible for monitoring the progress to ensure reviews are completed timely. Scheduling of reviews must allow for sufficient time to complete reviews by the deadline.--\*

**F Waiver Authority for State Offices**

State Offices may waive judgmentally selected EYR's under the following circumstances:

- farming operations involving **only** a husband and wife
- farming operation was previously reviewed in the last 3 years, did **not** receive an adverse determination, **and** the reviewing authority has determined that there have been no changes that affect the original determinations
- farming operations with **all** land meeting the landowner exemption
- for 2014 and subsequent years, farming operation conducted by a corporation, LLC, trust, estate or similar legal entity with no embedded legal entities as members.

**Notes:** State Offices must record the waived judgmentally selected reviews in the EYRT System according to Section 4.

Any waiver request not within State Offices' approval authority may be sent to DAFP, along with adequate justification to support the request.

**415 Producer Notification****A Overview**

After being notified, the producer is responsible for providing requested documents in a timely manner. This paragraph contains information to be included in the producer notification letter and explains what the producer must do after receiving the notification letter.

**B Producer Notification**

Producers who are required to submit documents must be notified about their selection for EYR no later than 90 calendar days before the EYR completion date established by STC according to paragraph 16.

The notification letter must contain the following:

- purpose of EYR
- documents required to be submitted
- the requirement to submit documents to the County Office within 30 calendar days
- actions that will be taken if documents are not submitted
- notification that the producer will receive results of EYR when completed.

**C Producer Responsibility**

It is the responsibility of the producer to submit requested documents within 30 calendar days from the date requested.

**Note:** It is recognized that some requested documents, such as crop sales documents, may not be available when the producer submits other documentation. The producer must submit all documents that are available at the time. The reviewing authority must schedule follow-up action to obtain additional information if necessary.

415 **Producer Notification (Continued)**

**D Example Notification Letter**

This is an example of a letter notifying a producer of being selected for **EYR**.

<p>[Letterhead]</p> <p>[Date]</p> <p><i>Wandering Brook, Inc. Fred Friendly, President 777 Lucky Day Rd Some City US 55555-1234</i></p> <p>Dear Mr. Friendly:</p> <p>Your farming operation has been selected for a 20XX payment limitation and payment eligibility end-of-year review.</p> <p>End of year reviews are conducted annually on a number of farming operations and producers that are participants in various FSA administered programs. Initial payment eligibility and payment limitation determinations are made based on the producer’s certification of how the farming operation will be conducted for the year.</p> <p>To ensure overall program integrity, it is necessary that the producer’s farming operation be reviewed and documented. Accordingly, your farming operation will be reviewed to determine whether the operation was conducted in 20XX as represented on CCC-902, Farm Operating Plan, on which the initial payment eligibility and payment limitation determinations were based.</p> <p><i>[Delete the following paragraphs that are not applicable to the producer.]</i></p> <p>To verify capital contributions, the following documents and information are required <i>(please use this letter as a checklist when responding to this request)</i>:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> operating loan documents</li> <li><input type="checkbox"/> income and expense ledgers</li> <li><input type="checkbox"/> canceled checks for expenditures, such as:             <ul style="list-style-type: none"> <li><input type="checkbox"/> fertilizer</li> <li><input type="checkbox"/> seed</li> <li><input type="checkbox"/> fuel</li> <li><input type="checkbox"/> equipment leases and purchases</li> <li><input type="checkbox"/> land leases and purchases</li> <li><input type="checkbox"/> hired labor and management</li> <li><input type="checkbox"/> any other farming operation expenditures.</li> </ul> </li> </ul>	<p><i>Any County FSA Office 502 Spotcheck Ave Some City US 55555-1234</i></p>
---	---

415 **Producer Notification (Continued)**

**D Example Notification Letter (Continued)**

To verify land contributions, documents and information are required as follows:

- lease agreements
- sales contracts
- property tax statements
- canceled checks associated with land.

To verify equipment contributions, documents and information are required as follows:

- equipment listings
- lease agreements
- purchase contracts
- canceled checks associated with equipment.

To verify labor contributions, documents and information are required as follows:

- documentation of who provided actual labor contributions and type of labor
- employee time sheets or books, if applicable
- canceled checks for hired labor, if applicable.

To verify management contributions, documents and information are required as follows:

- documentation of who provided actual management contributions and specific duties
- canceled checks for hired management
- documents showing signature of individual involved in management, such as:
- canceled checks for significant purchases
- loan documents
- lease and purchase agreements
- sales documents.
- contemporaneous records or logs of management activities performed throughout entire crop year.

Other documents and information necessary to make a complete review includes, but is not limited to, the following:

- crop sales documents
- warehouse ledgers
- gin ledgers
- corporation papers, including documentation of share ownership

## 415 Producer Notification (Continued)

## D Example Notification Letter (Continued)

- partnership agreements or articles of partnership
- trust agreements
- legal documents and contracts
- accounting records
- court records
- crop insurance documents.

Please provide the requested information to this office within 30 calendar days of the date of this letter. We will photocopy and return the documents and written information you submit. Copies of the documents and information will be forwarded to the individual(s) who will be conducting the actual review and documenting their findings. The (*Any County FSA Committee or State FSA Office, as applicable*) will then make determinations based on findings supported by the documents and information you provide. Therefore, it is important that you provide complete and accurate documentation.

You may also be contacted for an interview to obtain additional information and clarification concerning contributions to the farming operation and transactions about the farming operation. During the interview, you may be requested to provide access to additional records.

Upon completion of the review, you will be notified of the results of the review and any further action required.

If, within 30 calendar days of the date of this letter, you have **not** provided adequate documentation for the reviewing authority to make its findings and determinations, you will be:

- determined ineligible for the 20XX crop, program or fiscal year benefits
- notified of the revised determination, and given appeal rights
- required to refund payments earned as a result of the previous payment eligibility and payment
- limitation determination.

Thank you for your cooperation. If you have any questions, please contact this office.

Sincerely,

*James E. Cricket*  
County Executive Director

416-425 (Reserved)





**Section 2 Documentation****426 Required Documentation****A Overview**

Producers selected for EYR must provide adequate documents for the reviewing authority to determine that the farming operation was carried out as represented when initial determinations were made.

This paragraph contains instructions for obtaining documents to verify the entries made on CCC-902 and related forms.

**B What to Verify**

The reviewing authority must obtain adequate documents to verify that:

- inputs used to determine significant contributions to the farming operation were significant
- contributions were commensurate with claimed shares of the farming operation
- contributions were at risk
- land ownership has been accurately reported when the landowner rules were used in the original determination
- any other pertinent factors used in making the original determination are substantiated.

**C Filing Evidence**

County Office personnel must photocopy documents obtained during the EYR process. File the photocopies with other payment limitation documents. A sufficient number of documents used to make the determination must be filed to support the determination made by the reviewing authority.

426 Required Documentation (Continued)

**D Examples of Required Documents**

Adequate documentation is required to verify whether contributions are commensurate and significant. This table lists examples of documents used to verify these contributions.

<b>Contribution</b>	<b>Examples of Documents</b>
Capital	<ul style="list-style-type: none"> <li>• Operating loan documents.</li> <li>• Income and expense ledgers.</li> <li>• Canceled checks for expenditures, such as:                             <ul style="list-style-type: none"> <li>• fertilizer</li> <li>• seed</li> <li>• chemicals</li> <li>• fuel</li> <li>• equipment leases and purchases</li> <li>• land leases and purchases</li> <li>• hired labor or management</li> <li>• other farming operation expenditures.</li> </ul> </li> </ul>
Land	<ul style="list-style-type: none"> <li>• Lease agreements.</li> <li>• Sales contracts.</li> <li>• Property tax statements.</li> <li>• Canceled checks associated with land.</li> </ul>
Equipment	<ul style="list-style-type: none"> <li>• Lease agreements.</li> <li>• Purchase contracts.</li> <li>• Equipment listings.</li> <li>• Canceled checks associated with equipment.</li> </ul>
Labor	<ul style="list-style-type: none"> <li>• Employee time sheets or books.</li> <li>• Canceled checks for hired labor.</li> </ul>
Management	<ul style="list-style-type: none"> <li>• Canceled checks for hired management.</li> <li>• Documents showing signature of person involved in management.</li> </ul> <p><b>Examples:</b> Canceled checks for significant purchases.                      Loan documents.                      Lease and purchase agreements.                      Sales documents.</p>

**426 Required Documentation (Continued)**

**E Examples of Other Documents Needed**

Other documents that may be needed to make a complete review could include, but are not limited to, the following:

- crop sales documents
- warehouse ledgers
- gin ledgers
- corporation papers, including documentation of share ownership
- partnership agreements or articles of partnership
- trust agreements
- legal documents and contracts
- accounting records
- court records
- crop insurance documents.

**427 Failure to Provide Documentation**

**A Introduction**

Producers selected for EYR must provide the reviewing authority with requested documents. This paragraph explains the adverse actions that will be taken if a producer does not comply with this requirement.

**B Documentation Not Provided**

A producer’s failure to submit EYR documentation must result in the following actions.

<b>IF the producer...</b>	<b>THEN the producer must be...</b>
<ul style="list-style-type: none"> <li>• refuses to provide the requested information</li> <li>• does not provide information within 30 calendar days</li> </ul>	<ul style="list-style-type: none"> <li>• determined ineligible for all programs subject to Payment Limitation and Payment Eligibility provisions for the year of the review and all subsequent years until eligibility is reestablished.</li> <li>• required to refund payments from all programs subject to Payment Limitation and Payment Eligibility provisions.</li> <li>• notified of the determination, and provided appeal rights</li> </ul> <p><b>Note:</b> This determination does not require COC action.</p>

**Note:** The reviewing authority may extend the deadline to provide information if merited by unusual circumstances.

**C County Office Action**

After a producer is determined ineligible for payment County Offices must update the eligibility records through the eligibility or entity file.

**428-437 (Reserved)**

### Section 3 Conducting Reviews

#### 438 Responsibilities

##### A Overview

This section provides the required action and worksheets to be used to conduct EYR's.

This paragraph provides guidelines for required action for conducting EYR's.

##### B Review Teams

Members of the review team, established according to paragraph 17, must:

- complete the review for all cases according to paragraph 414.
- obtain additional documentation directly from producers whenever it is needed to determine that actual farming operations are or are not in compliance with approved farm operating plans
- document EYR conclusions and make recommendations for action by the initial review authority.

##### C Determinations by Initial Reviewing Authority

The reviewing authority that made the initial determination for the producer selected for EYR must:

- thoroughly review conclusions and recommendations submitted by the review team
- collect any additional information needed to make an informed determination.

**Note:** If the State Office made the initial determination for the producer, the State Office must make EYR determination.

438 Responsibilities (Continued)

**D Required Action and Responsibility**

Follow this table to determine required action and responsibility.

Step	Action	Responsibility
1	Producer selection.	<ul style="list-style-type: none"> <li>Judgmental selection, DAFP.</li> <li>All other cases, initial reviewing authority.</li> </ul>
2	Producer notification.	Initial reviewing authority
3	Accumulation of requested information. <b>Note:</b> Documents must be copied and returned to the producer.	Producer’s designated control County Office.
4	*--Assigning, coordinating, and monitoring completion of reviews.	State Office specialist.
5	Reviewing documents and fact findings.	Review team member or members under the supervision of the State Office specialist.
6	Determination and producer notification. <b>Note:</b> Revised determinations must be recorded on CCC-903. See paragraph 353.--*	Initial reviewing authority.
7	End-of-year reports.	<ul style="list-style-type: none"> <li>Designated control County Office.</li> <li>State Office.</li> </ul>

**E Discrepancies**

Follow this table if discrepancies with the farm operating plan are discovered.

IF a discrepancy is discovered that...	THEN notify the producer of the...
does not affect the original determinations	discrepancy and confirm the original determination.
affects the original determinations	<ul style="list-style-type: none"> <li>not “actively engaged in farming” determination or other revised determinations (i.e. cash-rent tenant, substantive change, common attribution, foreign person rule, etc.)</li> <li>amount of payments to refund, if applicable</li> </ul> <p><b>Note:</b> See 58-FI.</p> <ul style="list-style-type: none"> <li>producer’s appeal rights.</li> </ul>

**439 Completing and Documenting Reviews****A Information Collection and Comparison**

EYR requires the following actions:

- collection of copies of all program applications, contracts, payment eligibility documentation, and payment limitation documentation submitted by the producer for the applicable year
- collections of specific business-related documents and related information for the producer's farming operation for the applicable year
- comparison of both sets of information to the rules and regulations governing payment eligibility and payment limitation for the program year subject to review.

**B Results and Findings**

The results and findings of the review are the basis to determine whether the producer is either of the following:

- eligible, either all or in part, for the program payments and benefits received or requested
- ineligible for the program payments and benefits received or requested for the year or years subject to the review.

**C Review Activities**

All review actions and activities are to be recorded with using the 5-part CCC-900 package, which includes the following:

- CCC-900-1
- CCC-900-2
- CCC-900-3
- CCC-900-4
- CCC-900-5.

**439 Completing and Documenting Reviews (Continued)**

**D Review Record**

The 5-part CCC-900 package:

- must be completed for each producer selected for review
- becomes the permanent record of the review
- is the basis for the recommendations to the reviewing authority for subsequent determinations for payment eligibility and payment limitation.

**E Availability and Using CCC-900 Package**

All 5 parts of the CCC-900 package:

- are available online at <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>
- are online fillable
- may be completed manually.



439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package

The following is an example of a CCC-900 package.

<p><b>This form is available electronically.</b></p> <p><b>CCC-900-1</b> U.S. DEPARTMENT OF AGRICULTURE (09-28-20) Commodity Credit Corporation</p> <p><b>PAYMENT ELIGIBILITY/LIMITATION SELECTION, NOTIFICATION, AND INFORMATION COLLECTION CHECKLIST 1</b> <i>(Effective for 2020 and Subsequent Years)</i></p>					A. Producer Name
					B. State and County Office Name
					C. Program Year Reviewed
Follow the steps in this table to conduct EYR. Attach documents and additional information as appropriate.					
Step	Process	Action	Initial	Date	
1	Producer Selection	Indicate how the case was selected: <input type="checkbox"/> A. Judgmental selection by DAFP. <input type="checkbox"/> B. Required spot check. <input type="checkbox"/> C. Other case required by the reviewing authority.			
2	Producer Notification	Date of letter notifying producer of selection: _____  <b>Note:</b> The requested documents and information were provided by the producer on: _____  If producer refused or failed to provide records for EYR, date producer was notified of ineligibility: _____			
3	Collection of Agency Records	Obtain copies of all forms and related correspondence for producer: <input type="checkbox"/> A. CCC-901 <input type="checkbox"/> B. CCC-902 <input type="checkbox"/> C. CCC-903 <input type="checkbox"/> D. Notice of determination <input type="checkbox"/> E. Program contracts and applications for year reviewed			
<b>Steps 4 and 5 will be completed by the Review Team</b>					
4	Review of Initial Information	Review documents and information initially provided by the producer to determine whether an interview with the producer is required.  <b>Note:</b> Producer shall be interviewed unless the reason for not interviewing the producer is obvious and adequately justified in writing.  A. Is interview with producer required? <input type="checkbox"/> YES <input type="checkbox"/> NO  B. If "YES":  (1) date the producer was notified: _____ (2) go to step 5.  C. If "NO":  (1) give justification for not interviewing the producer:   (2) go to step 5.			
<p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</small></p>					

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

CCC-900-1 (09-28-20)			Page 2	
Producer Name:				
Step	Process	Action	Initial	Date
5	Producer Interview	<p>Interview the producer(s) or representative of the selected case and obtain details of the farming operation and the method of operation for the crop year.</p> <p><b>Note:</b> Consider interviewing separately (without farm manager or principal spokesperson) those producers that are suspected of knowing nothing about the farming operation.</p> <p>General interview information:</p> <p>A. In discussing the farming operation, does the producer's(s) description of the operation differ with other available information?</p> <p style="text-align: center;"><input type="checkbox"/> YES    <input type="checkbox"/> NO</p> <p><b>Note:</b> If "YES", explain:</p> <p>B. If applicable, advise the producer(s) that accounting records will need to be reviewed and the lending agency of the producer(s) may need to be contacted to verify financing information.</p>		
C. Name of Producer/Member Interviewed		D. Date of Interview		
<b>Notes and Comments</b>				
D. Signature of Reviewing Authority or Review Team Member			E. Date (MM-DD-YYYY)	

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

This form is available electronically.

<p><b>CCC-900-2</b> (09-28-20)</p> <p><b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation</p> <p><b>PAYMENT ELIGIBILITY/LIMITATION DOCUMENTS RECEIVED FROM PRODUCER CHECKLIST 2</b> <i>(Effective for 2020 and Subsequent Years)</i></p>	<p>A. Producer Name</p> <hr/> <p>B. State and County Office Name</p> <hr/> <p>C. Program Year Reviewed</p>			
<p>Use this checklist to indicate the documents submitted by the producer and initial and date. If a contribution or determination is not applicable, check "N/A".</p>				
Contribution or Determination	Documentation Required	Initial	Date	N/A
1. Capital	<input type="checkbox"/> A. Operating loan documents. <input type="checkbox"/> B. Income and expense ledgers. <input type="checkbox"/> C. Canceled checks for expenditures, such as: <input type="checkbox"/> (1) fertilizer <input type="checkbox"/> (2) seed <input type="checkbox"/> (3) chemicals <input type="checkbox"/> (4) fuel <input type="checkbox"/> (5) equipment leases and purchases <input type="checkbox"/> (6) land leases and purchases <input type="checkbox"/> (7) livestock and livestock related purchases <input type="checkbox"/> (8) hired labor or management <input type="checkbox"/> (9) other farming operation expenditures. <i>(Specify):</i> _____			
2. Land	<input type="checkbox"/> A. Lease agreements. <input type="checkbox"/> B. Sales contracts. <input type="checkbox"/> C. Property tax statements. <input type="checkbox"/> D. Canceled checks associated with land. <input type="checkbox"/> E. Other: <i>(Specify):</i> _____			
3. Equipment	<input type="checkbox"/> A. Lease agreements. <input type="checkbox"/> B. Purchase contracts. <input type="checkbox"/> C. Equipment listings. <input type="checkbox"/> D. Canceled checks associated with equipment. <input type="checkbox"/> E. Other: <i>(Specify):</i> _____			
4. Labor	<input type="checkbox"/> A. Employee time sheets or books. <input type="checkbox"/> B. Canceled checks for hired labor. <input type="checkbox"/> C. Other: <i>(Specify):</i> _____			

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (800) 632-9932. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20260-9410, (2) fax: (202) 690-7442, or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

CCC-900-2 (09-28-20)		Page 2		
Producer Name:				
Contribution or Determination	Documentation Required	Initial	Date	N/A
5. Management	<input type="checkbox"/> A. Canceled checks for hired management. <input type="checkbox"/> B. Loan documents. <input type="checkbox"/> C. Lease and purchase agreements. <input type="checkbox"/> D. Sales documents. <input type="checkbox"/> E. Appointment books. <input type="checkbox"/> F. Calendars. <input type="checkbox"/> G. Narrative summaries. <input type="checkbox"/> H. Phone logs. <input type="checkbox"/> I. Activity logs. <input type="checkbox"/> J. Contemporaneous records or logs of management activities. <input type="checkbox"/> K. Other: (Specify): _____			
6. Commensurate	<input type="checkbox"/> A. Program documents: (Specify): _____ <input type="checkbox"/> B. Crop sales documents. <input type="checkbox"/> C. Warehouse ledgers. <input type="checkbox"/> D. Gin ledgers. <input type="checkbox"/> E. Corporation papers, including ownership share. <input type="checkbox"/> F. Partnership agreements. <input type="checkbox"/> G. Trust agreements. <input type="checkbox"/> H. Legal documents and contracts. <input type="checkbox"/> I. Accounting records. <input type="checkbox"/> J. Court records. <input type="checkbox"/> K. Crop insurance documents. <input type="checkbox"/> L. Other: (Specify): _____			
D. Signature of Reviewing Authority or Review Team Member		E. Date (MM-DD-YYYY)		



439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

CCC-900-3 (09-28-20)		Page 2 of 12				
Producer Name:						
<b>PART B - CAPITAL CONTRIBUTION</b>						
Complete Part B to determine whether capital qualified as a significant contribution.						
				YES	NO	N/A
Was capital used as a significant contribution? If "YES", complete this Part B. If "NO", go to Part C.						
<b>Step</b>	<b>Action</b>					
1	Determine how the capital used as a significant contribution was acquired.  <b>Note:</b> Check the appropriate item or items, and go to the corresponding step of Part B.  <input type="checkbox"/> A. Direct out-of-pocket input by individual, entity, joint operation, or members of joint operation. Go to step 2.  <input type="checkbox"/> B. Capital borrowed by individual, entity, joint operation, or member of joint operation. Go to step 3.					
2	Determinations if direct out-of-pocket capital input.  A. If the capital was funded by an individual, entity, or member of the joint operation, were these contributions made directly to the farming operation? If "NO", explain:  B. If a joint operation in which the capital is contributed by a member or members of the joint operation rather than the joint operation itself, review member accounting records, checks, and loan documents to determine amounts invested.  C. Was each member's contribution of capital commensurate with their share of the operation? If "NO", other contributions may justify the claimed share of operation:  D. Interview the individual, entity representative, or member of the joint operation to ensure that capital contributions were out-of-pocket if not adequately established by documentation. Determine whether they borrowed the capital to provide their contribution.  Was capital borrowed? If "YES", go to step 3. If "NO", go to step 4.					
3	Determination if capital was borrowed.  If the capital contribution was borrowed:  A. Interview the producer to determine from whom the capital was borrowed, and annotate the lender's name:  B. Indicate the percentage of capital contribution that was borrowed: ____%  C. Review accounting records to determine whether the capital was contributed directly to the farming operation.  D. Arrange with the producer to contact the lender and review the loan file.  E. Was the loan acquired as a result of a loan being made to, guaranteed by, or secured by an individual, entity, member of a joint operation with an interest in the farming operation? If "YES", the capital contribution may not qualify as a significant contribution.					

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

CCC-900-3 (09-28-20)		Page 3 of 12		
Producer Name:				
Step	Action	YES	NO	N/A
4	<p>Determination of significant contribution.</p> <p>A. Did the producer provide the initial reviewing authority an estimated expense report for the year?</p> <p style="margin-left: 20px;">(1) If "YES", verify that the contribution equals as least 50 percent of the estimated expenses.</p> <p style="margin-left: 20px;">(2) If "NO", how did the reviewing authority determine that the individual's or entity's contribution was equal to 50 percent of the total capital necessary to conduct the farming operation?</p> <p>B. Based on the review of the capital represented by the farming operation as qualifying, did the farming operation or individuals meet the requirements for a significant contribution of capital?</p> <p style="margin-left: 20px;">(1) If "YES", the farming operation has met its significant "left-hand" contribution.</p> <p style="margin-left: 20px;">(2) If "NO", the farming operation has <b>not</b> met the requirements for significant "left-hand" contributions without additional "left-hand" contributions. Go to step 5.</p>			
5	<p>Summarize the facts involved in this determination, develop findings as appropriate, and go to Part C.</p>			
<b>PART C – EQUIPMENT CONTRIBUTION</b>				
Complete Part C to determine whether equipment qualified as a significant contribution.				
Was equipment used as a significant contribution? If "YES", complete this Part C. If "NO", go to Part D.		YES	NO	N/A
Step	Action	YES	NO	N/A
1	<p>Determine how the equipment used as a significant contribution was acquired.</p> <p><b>Note:</b> Check the appropriate item or items and go to the corresponding step of this worksheet.</p> <p><input type="checkbox"/> A. Owned by an operation or its members. Go to step 2.</p> <p><input type="checkbox"/> B. Leased by an operation or its members. Go to step 3.</p>			
2	<p>Equipment owned and contributed by individual, entity, or joint operation.</p> <p>A. Did the farming operation or its members own <b>all</b> of the equipment used in the farming operation?</p> <p><b>Note:</b> Review accounting or tax depreciation records, if provided, and other information to confirm ownership of the equipment by the individual, entity, or joint operation.</p> <p>If "NO", did the producer own a sufficient amount of equipment to conduct the farming operation and to meet the significant contribution requirement?</p> <p>B. If the farming operation is conducted by an individual, entity, or joint operation, was the equipment contributed directly to the farming operation by the individual, entity, or joint operation?</p> <p>If "NO", use of the equipment to qualify as a significant contribution is questionable. Explain how the individual, entity, joint operation, or member of the joint operation contributed the equipment:</p>			

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

CCC-900-3 (09-28-20)		Page 4 of 12		
Producer Name:				
Step	Action	YES	NO	N/A
2 (cont)	<p>C. For equipment contributed to the farming operation, determine whether this equipment was acquired as a result of a loan. If the equipment was acquired as a result of a loan, was the loan made to, guaranteed by, or secured by any individual, joint operation, entity, or member of a joint operation that has an interest in the farming operation?</p> <ul style="list-style-type: none"> <li>If "NO", equipment may be used as a significant contribution.</li> <li>If "YES", obtain and copy information about the loan, and discuss with both the producer and County Office to determine whether significant contribution requirements were met.</li> </ul>			
3	<p>Equipment leased and contributed by individual, entity, or joint operation.</p> <p>Determine what equipment was leased and from whom the equipment was leased. Obtain copies of relevant lease documents and equipment listings.</p> <p>A. Was the equipment leased from someone with an interest in the farming operation?</p> <p>If "NO", leased equipment may qualify as a significant contribution to the farming operation. Go to Step 4.</p> <p>If "YES":</p> <p>(1) Is the leased equipment necessary for a significant contribution of equipment? If "NO", explain fully and go to step 4:</p> <p>(2) Explain fully the interest of the lessor in the farming operation:</p> <p>(3) Determine and explain how payments were made for the equipment:</p> <p><b>Note:</b> If the equipment was leased by the hour, day, or acre basis, payment must be made in a timely manner. Review accounting records, checks, and billing invoices.</p> <p>(4) Were equipment lease payments timely paid?</p> <p>If "YES", was capital borrowed by the individual, entity, or joint operation from any other individual, entity, or joint operation with an interest in the farming operation?</p> <p><b>Note:</b> If "YES", explain how the farming operation paid for the cash-leased equipment. Obtain and copy necessary documents to support the finding:</p> <p>If "NO", interview the producer and determine why lease agreements were not paid in a timely manner, and go to step 4:</p>			
4	<p>Determination of significant contribution.</p> <p>A. How did the initial reviewing authority determine the total rental value of the equipment?</p> <p>B. Based on the review of the equipment used in the farming operation, did the equipment qualify as a significant contribution?</p> <p>If "YES", the individual, entity, or joint operation has met the "left-hand" contribution requirement.</p>			



439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

CCC-900-3 (09-28-20)		Page 5 of 12			
Producer Name:					
<b>Step</b>	<b>Action</b>				
5	Summarize the facts involved in this determination, develop findings as appropriate, and go to Part D.				
<b>PART D – LAND CONTRIBUTION</b>					
Complete Part D to determine whether the land qualified as a significant contribution.					
Was land used as a significant contribution? If "YES", complete this Part D. If "NO", go to Part E.				YES	NO
				N/A	
<b>Step</b>	<b>Action</b>				
1	Determine how the land used as a significant contribution was acquired. <b>Note:</b> Check the appropriate block or blocks and go to the corresponding step of this worksheet. <input type="checkbox"/> A. Landowner: individual, entity, or joint operation. <i>Go to step 2.</i> <input type="checkbox"/> B. Landowner: owned and contributed by members of joint operation. <i>Go to step 3.</i> <input type="checkbox"/> C. Crop-share lease: individual, entity, or joint operation. <i>Go to step 4.</i> <input type="checkbox"/> D. Cash-leased: individual, entity, or joint operation. <i>Go to step 5.</i> <input type="checkbox"/> E. Land contributed by combination of methods. <i>Go to applicable steps 2 through 5.</i>				
2	Determination if land is owned by individual, entity, or joint operation.  Obtain and review documents supporting ownership of land, such as deeds or other title documents. <b>Note:</b> If not available from the County Office, this information should be filed with the appropriate county court. A. Was ownership of the land established for the applicable crop, program, or FY? <b>Note:</b> If "NO", the individual, entity, or joint operation cannot qualify under the landowner provisions as actively engaged in farming. B. During the review of the deed and/or title documents, determine whether the land was acquired by "Contract for Deed," "Deed of Trust," "Land Contract," or other similar arrangement. <b>Note:</b> This is considered to be acquired as a result of a loan. C. Was this land acquisition guaranteed by, or secured by an individual, entity, or other joint operation, including members, that have an interest in the farming operation? <b>Note:</b> If "YES", the land cannot qualify as a significant contribution to the farming operation. Document and copy appropriate information:  D. If the landowner provision is used by a joint operation holding title to the land, review the joint operation agreement for dissolution of the operation.  Does this agreement provide that, upon dissolution, the title to the land owned or proceeds from the sale of the land will revert to the individual members according to their respective shares?  <b>Note:</b> If "NO", the landowner provisions cannot be used unless the regional attorney advises that state law provides that, upon dissolution of the joint operation, the land will be sold and the proceeds divided according to each member's share in the joint operation and there is no documentation otherwise.				

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

<b>CCC-900-3</b> (09-28-20)		Page 6 of 12		
Producer Name: _____				
Step	Action	YES	NO	N/A
3	<p>Determination if land is owned and contributed by member or members of joint operation.</p> <ul style="list-style-type: none"> <li>• Obtain and review the deed or other title documents for the land.</li> </ul> <p><b>Note:</b> If not available from the County Office, this information should be filed with the appropriate county court.</p> <p>A. Was ownership of the land established for the applicable crop, program, or FY? If "NO", the individual, entity, or joint operation cannot qualify under the landowner provisions as "actively engaged in farming."</p> <ul style="list-style-type: none"> <li>• During the review of the deed and/or title documents, determine whether the land was acquired by "Contract for Deed," "Deed of Trust," or other similar arrangement.</li> </ul> <p><b>Note:</b> This is considered to be acquired as a result of a loan.</p> <p>B. Was this land acquisition guaranteed by, or secured by an individual, entity, or other joint operation, including members, that have an interest in the farming operation?</p> <p style="padding-left: 20px;">If "NO", go to step 4.</p> <p style="padding-left: 20px;">If "YES", the land cannot qualify as a contribution to the farming operation. Document and copy appropriate information.</p>			
4	<p>Determinations if land is crop-share leased.</p> <ul style="list-style-type: none"> <li>• Obtain and review the lease agreements between the farming operation and the landowner.</li> </ul> <p>A. Does the lease agreement require a minimum cash payment? If "YES", determine if it is a cash or share lease.</p> <ul style="list-style-type: none"> <li>• Review the accounting records, crop settlement sheets, or other records and compare the percentage division of crop or crop proceeds to the percentage of division on applicable contracts and applications.</li> </ul> <p>B. Was the landowner's share of the production the same as reported to FSA?</p> <p style="padding-left: 20px;">If "NO", discuss this with the producer to determine why the landowner's share was different than that reported.</p> <p>C. Was the land leased from someone with an interest in the farming operation other than as a landlord? If "YES", explain.</p>			

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

<b>CCC-900-3</b> (09-28-20)		Page 7 of 12		
<b>Producer Name:</b>				
Step	Action	YES	NO	N/A
5	Determinations if land is considered cash-leased by individual, entity, or joint operation. <ul style="list-style-type: none"> <li>• Review CCC-902 and cash-lease agreements. Determine who the land was leased from and if they had an interest in the farming operation.</li> <li>• If the cash-leased land is owned and contributed by someone with an interest in the farming operation, determine by interviewing the member or their representative and by reviewing documents, if the land is mortgaged and if the loan to acquire the land was made by, guaranteed by, or secured by, anyone having an interest in the farming operation.</li> </ul> <p><b>Note:</b> A "Contract for Deed," "Deed of Trust," "Land Contract," or other similar arrangement is considered to be acquired as the result of a loan.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Determination of significant contribution. <p>How did the reviewing authority determine total rental value of the land?</p> <p><b>Note:</b> Rental value will not be listed on CCC-902 unless the land is leased from someone with an interest in the operation.</p> <ul style="list-style-type: none"> <li>• Compare the land owned and leased by the farming operation and used to determine the producer "actively engaged in farming" with all land operated by the farming operation. Use producer's CCC-902 and obtain other County Office records, such as the producer payment record, to identify all farms operated.</li> </ul> <p>A. Did the producer operate more land than was initially used by COC to make the "actively engaged in farming" determination? If "YES", determine and explain how the contribution was found to equal 50 percent of the individual's or entity's commensurate share.</p> <p>B. Based upon this comparison of the land operated by the producer to the land initially used by CCC in making determinations, does the land owned and/or leased by the farm operation qualify for inclusion as a significant contribution and have a value equal to at least 50 percent of the individual's, entity's, or joint operation's commensurate share of the total rental value of the land?</p> <p><b>Note:</b> If "NO", the individual, entity, or joint operation cannot qualify as "actively engaged in farming" using land as its significant contribution.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Summarize the facts involved in this determination, develop findings as appropriate, and go to Part E.			

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

CCC-900-3 (09-28-20)		Page 8 of 12		
Producer Name:				
<b>PART E – CASH-RENT TENANT</b>				
Complete Part E to determine whether the producer meets the cash-rent tenant rule.				
		YES	NO	N/A
<b>Step</b>	<b>Action</b>			
1	<p>A. If the producer is a cash-rent tenant, did the producer provide a contribution of active personal labor to the farming operation?</p> <ul style="list-style-type: none"> <li>• If "YES", complete Part G to determine if the contribution of active personal labor was significant.</li> <li>• If "NO", complete Part C and Part H to determine if the producer provided a combination of significant contributions of equipment and management.</li> </ul>			
2	<p>Upon completion Parts C and H, does the producer meet the cash-rent tenant rules of 4-PL paragraphs 91 and 92.</p> <ul style="list-style-type: none"> <li>• If "YES", complete step 3 and go to CCC-900-5.</li> <li>• If "NO", determine the producer ineligible for payment on the cash-rent land. Complete step 3 and go to worksheet CCC-900-5.</li> </ul>			
3	Summarize the facts involved in this determination, develop findings as appropriate, and go to Part F.			
<b>PART F – COMBINATION OF CAPITAL, EQUIPMENT, AND LAND CONTRIBUTION</b>				
Complete Part F determine whether a combination of capital, equipment, and land qualified as a significant contribution.				
		YES	NO	N/A
Was any combination of capital, equipment, and land used to qualify as a significant contribution. If "YES", complete Part F. If "NO", go to Part G.				
<b>Step</b>	<b>Action</b>			
1	<p>If the contribution is a combination of the 3 "left-hand" inputs (capital, equipment, and land):</p> <ul style="list-style-type: none"> <li>• Check the appropriate item or items and complete the applicable worksheets using the 30 percent contribution requirement to determine whether the rules have been met for the appropriate contributions:</li> </ul> <p style="margin-left: 20px;"> <input type="checkbox"/> A. Capital (<i>go to Part B</i>)  <input type="checkbox"/> B. Equipment (<i>go to Part C</i>)  <input type="checkbox"/> C. Land (<i>go to Part H</i>)                 </p> <p>Go to step 2 of Part E after completing the appropriate Parts.</p>			
2	<p>Determinations.</p> <p>How did the reviewing authority determine that the combined contribution of "left-hand" inputs was equal to 30 percent of the individual's or entity's commensurate share of the total value of the farming operation?</p> <p>Does the actual contribution of the inputs equal to 30 percent of the individual's or entity's commensurate share of the total value of the farming operation?</p> <ul style="list-style-type: none"> <li>• If "YES", the requirements for significant "left-hand" contribution have been met.</li> <li>• If "NO", the requirements to be "actively engaged in farming" have not been met unless exception applies.</li> </ul> <p>Check the appropriate exception if applicable:</p> <p style="margin-left: 20px;"> <input type="checkbox"/> A. Family member provision (joint operation only)  <input type="checkbox"/> B. Sharecropper                 </p>	YES	NO	N/A
3	Summarize the facts involved in this determination, develop findings as appropriate, and go to Part G.			

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

CCC-900-3 (09-28-20)		Page 9 of 12		
Producer Name:				
<b>PART G – ACTIVE PERSONAL LABOR CONTRIBUTION</b>				
Complete Part G to determine whether active personal labor qualified as a significant contribution.				
Was active personal labor used as a significant contribution. If "YES", complete Part G. If "NO", go to Part J.		YES	NO	N/A
<b>Step</b>	<b>Action</b>			
1	<ul style="list-style-type: none"> <li>• Review CCC-902 and interview the individual or individuals contributing active personal labor.</li> <li>• Determine by interview or documentation if the individual or individuals indicated as contributing labor know how many hours of labor it takes for the farming operation and how many hours they provide.</li> <li>• Is there any record of hours worked by the contributing individual or individuals? If "YES", review and obtain copies to document the determination?</li> </ul>			
2	<p>Is this producer a joint operation?</p> <ul style="list-style-type: none"> <li>• If "YES", determine whether labor performed by a member of a joint operation, was excluded as a contribution.</li> </ul> <p><b>Note:</b> If a member of joint operation is paid for any part of the contribution, the contribution cannot be counted.</p> <ul style="list-style-type: none"> <li>• Review accounting records and determine whether salaries were paid by the joint operation to any member.</li> <li>• If "NO", go to step 3.</li> </ul>			
3	<p>Determine whether the individual could have provided the labor reported on CCC-902.</p> <p>A. Was the individual living away from the farm?</p> <p>B. Did the individual correctly report his or her residence to the County Office?</p> <p><b>Note:</b> Consider interview with the individual (without manager or principal present), if information indicates that it is doubtful the individual provided active personal labor to the farming operation.</p>			
4	<p>Review the payroll and accounting records.</p> <p>A. Was the individual paid for labor? If "NO", go to step 5.</p> <p>B. If "YES", how much was the individual paid and who paid the labor cost?</p>			
5	<p>Determine:</p> <ul style="list-style-type: none"> <li>• How "draws" on capital accounts were considered at the end of the year when the profit or loss was disbursed</li> <li>• For joint operations, if commensurate shares were maintained for the members.</li> </ul>			

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

CCC-900-3 (09-28-20)		Page 10 of 12		
Producer Name:				
<b>PART H – ACTIVE PERSONAL MANAGEMENT CONTRIBUTION</b>				
Complete Part H to determine whether active personal management qualified as a significant contribution.				
Was active personal management used as a significant contribution. If "YES", complete Part G. If "NO", go to Part I.		YES	NO	N/A
Step	Action			
1	Review the description of management shown on CCC-902.			
2	<p>A. Is this a joint operation?</p> <ul style="list-style-type: none"> <li>• If "YES", determine whether management performed by a member of a joint operation, was excluded as a contribution.</li> </ul> <p style="padding-left: 20px;"><b>Note:</b> If a member of joint operation is paid for any part of the contribution, the contribution cannot be counted.</p> <ul style="list-style-type: none"> <li>• Review accounting records and determine whether salaries were paid by the joint operation to any member.</li> <li>• If "NO", go to step 3.</li> </ul> <p>B. Is this a non-family joint operation seeking to qualify more than one member with only significant contribution of active personal management or a significant contribution of a combination of active personal labor and active personal management?</p> <ul style="list-style-type: none"> <li>• If "YES", go to question C</li> <li>• If "NO", go to Part I.</li> </ul> <p>C. Did members seeking to qualify as managers perform required management activities that equaled 25 percent of the total management hours required; or at least 500 hours of management activities?</p> <ul style="list-style-type: none"> <li>• If "YES", go to question E</li> <li>• If "NO", go to question D.</li> </ul> <p>D. Did the member provide a significant contribution of a combination of active personal labor and active personal management (see 5-PL, paragraph 218, for minimum contribution requirements)?</p> <ul style="list-style-type: none"> <li>• If "YES", go to question E</li> <li>• If "NO", go to question H.</li> </ul> <p>E. Did the farming operation file CCC-902FM and CCC-902FMR from each member requesting additional farm managers?</p> <ul style="list-style-type: none"> <li>• If "YES", go to question F</li> <li>• If "NO", go to question H.</li> </ul> <p>F. Was CCC-905 completed documenting the size and complexity of the farming operation and receive a determination that qualifies the farming operation for additional farm managers that was concurred with by the State FSA Committee or DAFP as required?</p> <ul style="list-style-type: none"> <li>• If "YES", go to question G</li> <li>• If "NO", go to question H.</li> </ul> <p>G. Did the review find that adequate documentation exists to support the determination warranting additional farm managers? If "NO", explain:</p>          <p>H. Number of qualifying members as managers. Check: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3</p>			

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

CCC-900-3 (09-28-20)		Producer Name:			Page 11 of 12
Step	Action	YES	NO	N/A	
3	<p>If documentation does not adequately establish management contributions, interview the individual(s) and discuss management.</p> <ul style="list-style-type: none"> <li>Does the individual(s) have knowledge of the farming operation commensurate with their claimed contribution of management?</li> <li>Ask the individual(s) how the management duties performed contribute to the profitability of the farming operation.</li> <li>Compare the written description of management on CCC-902 with the individual's comments.</li> </ul> <p><b>Note:</b> Consider interview with the individual (without manager or principal present), if information indicates that it is doubtful the individual provided active personal management.</p>				
4	Has the individual(s) prepared written management reports during the year? If "NO", go to step 5. If "YES", review and obtain copies.				
5	<p>Compare all the individual's residences with the farm location.</p> <p>Was onsite management provided?</p> <ul style="list-style-type: none"> <li>If "YES", how often?</li> <li>If "NO", how are management duties performed?</li> </ul>				
6	<p>Determine:</p> <ul style="list-style-type: none"> <li>How "draws" upon capital accounts were considered at the end of the year when the profit or loss was disbursed.</li> <li>For joint operations, if commensurate shares were maintained for the members.</li> </ul>				
7	Compare the reported management contribution to the operation with the review results, and determine whether there is a significant difference.				
8	Summarize the facts involved in this determination, develop findings as appropriate, and go to Part I.				

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

CCC-900-3 (09-28-20)		Page 12 of 12	
Producer Name:			
<b>PART I – CONTINUATION OF ACTIVE PERSONAL LABOR AND ACTIVE PERSONAL MANAGEMENT CONTRIBUTION</b>			
Complete Part I to determine whether a combination of active personal labor and active personal management qualified as a significant contribution.			
		YES	NO
Was a combination of active personal labor and active personal management used as a significant contribution? If "YES", complete Part I. If "NO", go to Part J.		<input type="checkbox"/>	<input type="checkbox"/>
<b>Step</b>	<b>Action</b>		
1	Review the description of labor and management shown on CCC-902.  Review Part F and Part G to determine that the combination of active personal labor and active personal management has a critical impact on the profitability of the farming operation in an amount at least equal to the significant contribution of either consideration when taken alone.		
2	Determine how the reviewing authority determined that the contribution would have a critical impact on the profitability of the farming operation.		
3	Summarize the facts involved in this determination, develop findings as appropriate, and go to CCC-900-4.		
<b>PART J – COMMENSURATE AND AT-RISK CONTRIBUTIONS</b>			
Complete Part J to determine if contributions were commensurate and at-risk for a loss.			
Were the contributions of each member commensurate with the claimed share of the profits or losses from the farming operation?			
List each member:		YES	NO
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
Were the member's contributions at risk for a loss?			
List each member:		YES	NO
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
Summarize the reasons for the responses.			
D. Signature of Reviewing Authority or Review Team Member			E. Date (MM-DD-YYYY)



439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

This form is available electronically.

<p><b>CCC-900-4</b> (09-28-20)</p> <p style="text-align: center;"><b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation</p> <p style="text-align: center;"><b>PAYMENT ELIGIBILITY/LIMITATION SUBSTANTIVE CHANGE AND OTHER DETERMINATIONS WORKSHEET</b> <i>(Effective for 2020 and Subsequent Years)</i></p>	<p>A. Producer Name</p> <hr/> <p>B. State and County Office Name</p> <hr/> <p>C. Program Year Reviewed</p>				
<b>PART A – SUBSTANTIVE CHANGE</b>					
Complete Part A to determine whether the substantive change requirements were met.					
Was there an increase in the number of limitations for payment in this farming operation from the previous year? If "YES", complete Part A. If "NO", go to Part B.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">YES</td> <td style="width: 50%; text-align: center;">NO</td> </tr> <tr> <td style="height: 20px;"></td> <td style="height: 20px;"></td> </tr> </table>	YES	NO		
YES	NO				
<b>Step</b>	<b>Action</b>	<b>Finding</b>			
1	<p>Was substantive change required?    <input type="checkbox"/> YES   <input type="checkbox"/> NO</p> <ul style="list-style-type: none"> <li>• If "YES", go to step 2.</li> <li>• If "NO", enter the reason in the "Finding" column and go to Part B.</li> </ul> <p><b>Example:</b> The formation of a husband and wife joint venture does not require substantive change.</p>				
2	If substantive change was required, list what COC considered substantive change.				
3	<p>Include the substantive change that occurred.</p> <p><b>Note:</b> Go to the following step containing the substantive change that occurred.</p>				
A	If addition of <b>adult family member</b> , determine whether the application of the adult family member rule qualifies the additional limitation.				
B	If change in <b>land rental</b> from cash-lease to share-lease, determine whether the change qualifies a landowner as an additional limitation.				
C	If a <b>20 percent increase in land used for agricultural production</b> , determine whether the change qualifies the additional limitation.				
D	If a <b>change in ownership of equipment, land, or livestock</b> , determine whether the change qualifies the additional limitation.				
E	If <b>addition of equipment</b> not previously involved in the farming operation, determine whether the change qualifies the additional limitation.				
4	Summarize the facts involved in this determination, develop findings as appropriate, and go to Part B.				

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

<b>CCC-900-4</b> (09-28-20)		Producer Name:		Page 2 of 3
<b>PART B – FOREIGN PERSONS AND OTHER DETERMINATIONS</b>				
Complete Part B to determine whether foreign person determinations and other determinations were correctly made.				
Step	Determination	Action	Finding	
1	Other farming interest	<p>Did the producer indicate any other farming interests, including interest of spouse and minor?</p> <p style="text-align: center;"><input type="checkbox"/> YES    <input type="checkbox"/> NO</p> <ul style="list-style-type: none"> <li>If "YES", verify that all were reported by reviewing system reports.</li> <li>If "NO", verify by reviewing system reports, such as the entity interest report.</li> </ul>		
2	Common attribution	<p>Review the initial determination to determine whether the common attribution rule applies.</p> <p>Is there a reason that common attribution applies?</p> <p style="text-align: center;"><input type="checkbox"/> YES    <input type="checkbox"/> NO</p> <ul style="list-style-type: none"> <li>If "YES", explain.</li> </ul>		
3	Foreign person	<p>Do foreign person rules apply?</p> <p style="text-align: center;"><input type="checkbox"/> YES    <input type="checkbox"/> NO</p> <ul style="list-style-type: none"> <li>If "YES", specify and go to CCC-900-3.</li> <li>If "NO", go to CCC-900-3.</li> </ul>		
4	Estate	<p>If the producer is an estate in existence 2 program years after the program year in which established, was the estate reviewed as required to determine why the estate was still open?</p> <p style="text-align: center;"><input type="checkbox"/> YES    <input type="checkbox"/> NO</p> <ul style="list-style-type: none"> <li>If "NO", was the estate kept open for the purpose of receiving program benefits.</li> </ul> <p style="text-align: center;"><input type="checkbox"/> YES    <input type="checkbox"/> NO</p> <ul style="list-style-type: none"> <li>If "YES", estate is not eligible for the year reviewed.</li> </ul>		
5	Deceased Producer	<p>Was the individual producer identified as deceased, or if the producer was a member of an operation or legal entity, were any members an individual identified as deceased during the year reviewed.</p> <p style="text-align: center;"><input type="checkbox"/> YES    <input type="checkbox"/> NO</p> <ul style="list-style-type: none"> <li>If "YES", were reviews completed and appropriate actions taken in accordance with 1-CM?</li> </ul> <p style="text-align: center;"><input type="checkbox"/> YES    <input type="checkbox"/> NO</p> <ul style="list-style-type: none"> <li>If "NO", document in Findings.</li> </ul>		

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

<b>CCC-900-4</b> (09-28-20)		Producer Name:		Page 3 of 3
<b>PART B – FOREIGN PERSONS AND OTHER DETERMINATIONS (Continuation)</b>				
6	Required State Office Determinations	Is the producer a joint operation with 6 or more members?  <input type="checkbox"/> YES <input type="checkbox"/> NO ( <i>go to step 8</i> )  <ul style="list-style-type: none"> <li>If "YES", did the State Office timely make the initial eligibility and actively engaged in farming determinations as required?</li> </ul> <input type="checkbox"/> YES <input type="checkbox"/> NO  <ul style="list-style-type: none"> <li>If "NO", note explanation in Findings.</li> </ul>		
7	Is this a joint operation comprised of non-family members with more than one member seeking to qualify for AE if with only a significant contribution of management?  <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A			
8	County Committee Determinations	Did the county committee make all payment eligibility determinations within 60 calendar days after the required forms and supporting documentation needed for the determinations were received in the county office?  <input type="checkbox"/> YES <input type="checkbox"/> NO  <ul style="list-style-type: none"> <li>If "NO", document in Findings as a default determination.</li> </ul>		
D. Signature of Reviewing Authority or Review Team Member			E. Date (MM-DD-YYYY)	

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

This form is available electronically.

<p><b>CCC-900-5</b> (09-28-20)</p> <p style="text-align: center;"><b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation</p> <p style="text-align: center;"><b>PAYMENT ELIGIBILITY/LIMITATION</b> <b>SUMMARY OF FINDINGS AND RECOMMENDATIONS</b> <i>(Effective for 2020 and Subsequent Years)</i></p>	<p>A. Producer Name</p> <hr/> <p>B. State and County Office Name</p> <hr/> <p>C. Program Year Reviewed</p>
---	--

Complete this form to summarize findings for the initial reviewing authority.

Factor	YES	NO	Questioned	N/A	Handbook or Worksheet Reference
1. CCC-902 followed.					
2. Significant contribution of land.					
3. Significant contribution of capital.					
4. Significant contribution of equipment.					
5. Significant contribution of "left-hand" combination.					
6. Significant contribution of active personal labor.					
7. Significant contribution of active personal management.					
8. Significant contribution of "right-hand" combination.					
9. Share of profits and losses commensurate with contributions.					
10. Contributions at risk.					
11. Foreign person rule met.					
12. Spousal provision requirements met.					
13. Common attribution determination correct.					
14. Minor child determination correct.					
15. For a legal entity, such as a corporation, LLC, or LLP, were contributions of active personal labor and/or active personal management: <ul style="list-style-type: none"> <li>• Performed on a regular basis</li> <li>• Identifiable and documentable</li> <li>• Separate and distinct from contributions of other partners, stockholders, or members?</li> </ul>					
16. For non-family joint operations did documentation support approval of additional members seeking to qualify more than one member with only a significant contribution of active personal management.					

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To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410, (2) fax: (202) 690-7442, or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

439 Completing and Documenting Reviews (Continued)

F Example of CCC-900 Package (Continued)

<b>CCC-900-5</b> (09-28-20)		Page 2 of 2	
<b>Producer Name:</b>			
17. Number of members of the farming operation claiming to make a significant contribution of active personal labor.			
18. Number of members of the farming operation determined to have made a significant contribution of active personal labor.			
19. Number of members of the farming operation claiming to make a significant contribution of active personal management.			
20. Number of members of the farming operation determined to have made a significant contribution of active personal management.			
	<b>YES</b>	<b>NO</b>	<b>N/A</b>
21. "Actively engaged in farming" requirements met. If "YES", select the following factors or findings that explains how:  <input type="checkbox"/> Land <input type="checkbox"/> Capital <input type="checkbox"/> Equipment <input type="checkbox"/> Active personal labor <input type="checkbox"/> Active personal management <input type="checkbox"/> Landowner exemption			
22. Cash-rent tenant rule met. If "YES", select the following factors or findings that explains how:  <input type="checkbox"/> Active personal labor <input type="checkbox"/> Equipment <input type="checkbox"/> Active personal management			
23. Substantive change rule met. If "YES", select the following factors or findings that explains how:  <input type="checkbox"/> Family member <input type="checkbox"/> Land rental change (landowner only; cash to share rent) <input type="checkbox"/> Increase in land used for agricultural production of 20 percent or more <input type="checkbox"/> Ownership change of land, equipment or livestock by sale or gift to new member <input type="checkbox"/> Addition of equipment to the farming operation			
24. Were the initial determinations correct? If "YES", go to Item 28. If "NO", provide a detailed explanation of why not in Item 30.			
25. If discrepancies were found, will the discrepancies result in an adverse determination? If "YES", go to Item 26. If "NO", provide a detailed explanation of why not in Item 30.			
26. If discrepancies or adverse findings were made, did the findings include scheme or device, fraudulent representations, or other actions to circumvent payment eligibility or payment limitation provisions?			
27. Total dollar amount of payments affected by the discrepancy or adverse findings.			\$
28. Did the producer provide the requested documentation to complete the review?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	
29. Is the review complete?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	
30. Recommendations			
D. Signature of Reviewing Authority or Review Team Member			E. Date (MM-DD-YYYY)
<b>Submitted to the COC or STC for review and determinations.</b>			
F. Date Submitted (MM-DD-YYYY):			

440-449 (Reserved)



**Section 4 EYRT System****450 Tracking EYR's****A Overview**

\*--All EYR's through FY 2021 are tracked using the EYRT System.--\*

**B Responsibilities**

\*--DAFP and STC or COC EYR selections and review results are tracked in the EYRT System for all reviews conducted in an FY through FY 2021.--\*

The National Program Manager is responsible for entering the DAFP judgmental selections.

State Office Specialists with payment limitation/payment eligibility responsibility must enter COC and STC selections in the EYRT System.

State Office Specialists are responsible for entering all results/findings of EYR's in the EYRT System.

**C Submission Date**

STC must establish a date or dates for County Offices to submit adequate documentation to evidence the findings of the review and the COC's determination, including any overpayments to the State Office Specialist.

The National Program Manager must annually establish the date by which reviews must be completed and results of the review loaded in the EYRT System. This date will be announced in correspondence to each State Office when the DAFP judgmental selections are announced.

## 451 Introduction to the EYRT System

### A Definition of EYRT System

EYRT System means a web-based system:

- \*--in which National and State users can record all findings, recommendations, and--\* conclusions from EYR's completed on selected farming operations for 2009 and subsequent years' payment eligibility and payment limitation compliance purposes
- that provides reporting and summarization capabilities for EYR findings, determinations, and related information recorded for the farming operations reviewed.

### B EYRT Design

EYRT was designed for the following:

- recording and tracking, by participant/farming operation and program year, all EYR review findings, results, and determinations
- as source data for status reports on the completion and results of EYR's
- providing information to use when evaluating the application and the effectiveness of current payment eligibility and payment limitation provisions.

### C Accessing EYRT and Versions Available

EYRT is accessible from the Payment Limitation EYR's Share Point site at [https://usdagcc.sharepoint.com/sites/fsa-dafp-disaster/PL\\_EYR/sitepages/Home.aspx](https://usdagcc.sharepoint.com/sites/fsa-dafp-disaster/PL_EYR/sitepages/Home.aspx).



**451 Introduction to the EYRT System (Continued)**

**D Content of EYRT Database**

The EYRT database has been populated with the following:

- 2009 and subsequent years DAFP EYR selections
- additional selections as determined by State Offices.

**E State Office Action**

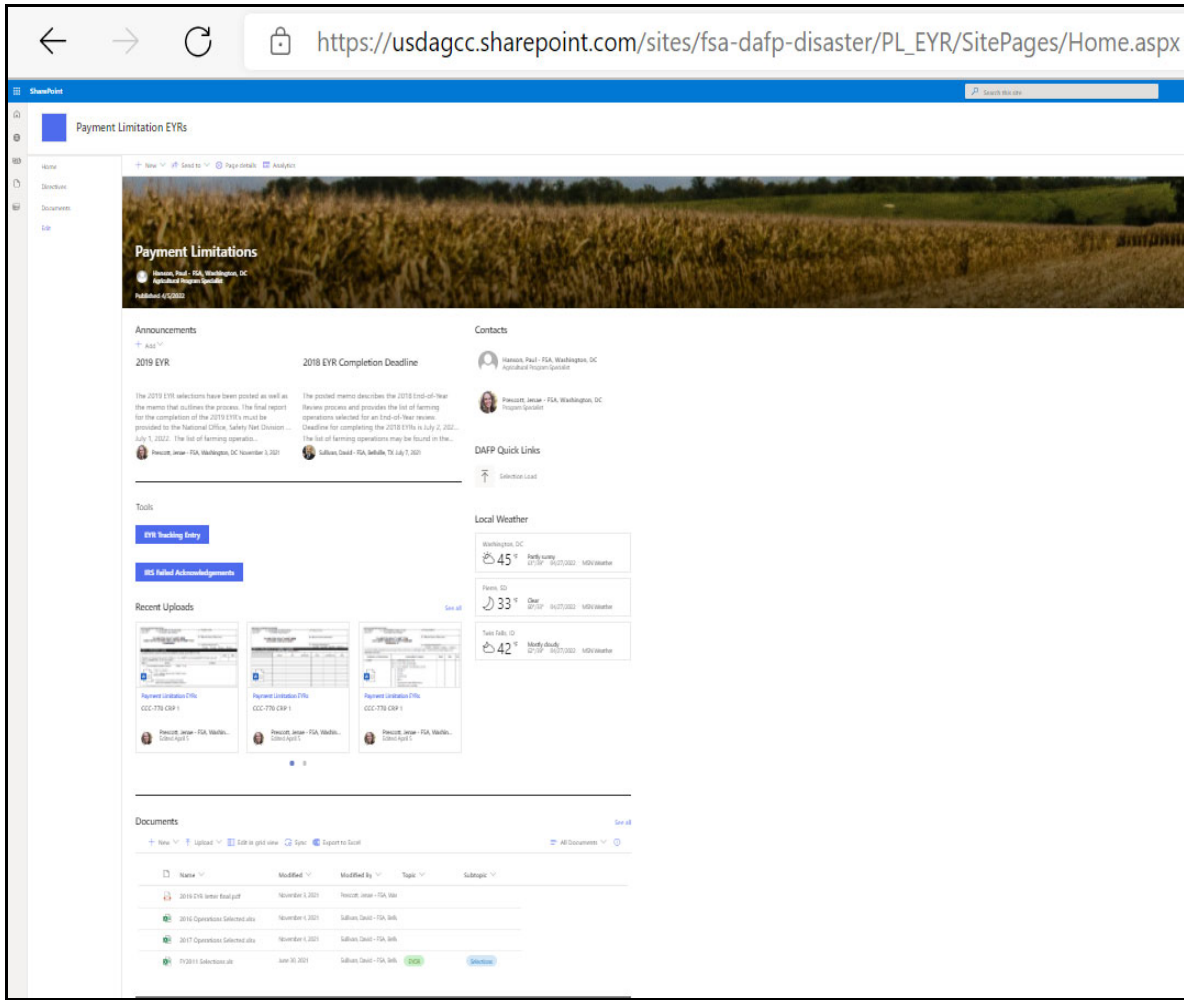
**For the 2009 and subsequent EYR records**, State Offices are encouraged to do the following:

- review the records for accuracy
- update the preloaded records, if necessary
- enter records for additional EYR selections made
- enter results as EYR's are completed
- periodically run various EYRT reports to check the status of review completion, and to track the results of 2009 and subsequent years EYR's.

452 Payment Limitation EYRs Screen

A Accessing the Payment Limitation EYRs Screen

The Payment Limitation EYRs Screen allows State \* \* \* users to access all options available in EYRT. To access the following Payment Limitation EYRs Screen, go to [https://usdagcc.sharepoint.com/sites/fsa-dafp-disaster/PL\\_EYR/SitePages/Home.aspx](https://usdagcc.sharepoint.com/sites/fsa-dafp-disaster/PL_EYR/SitePages/Home.aspx)

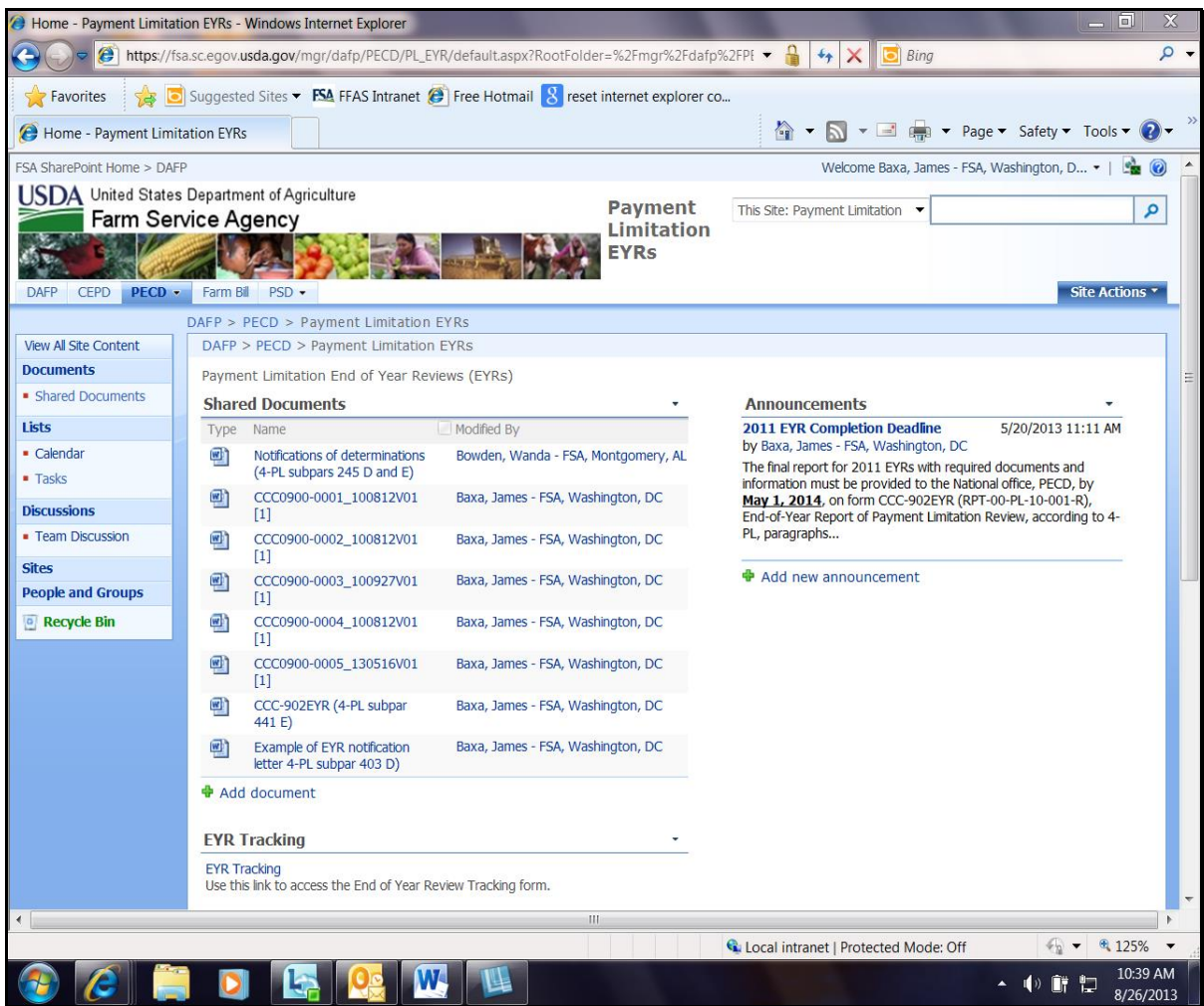


452 Payment Limitation EYRs Screen (Continued)

B Payment Limitation EYRs Screen Content

On the Payment Limitation EYRs Screen, under the heading “**Shared Documents**”, is folder “**PL EYR Materials**” that contains the following letters and forms, which will be displayed when “**PL EYR Materials**” is selected:

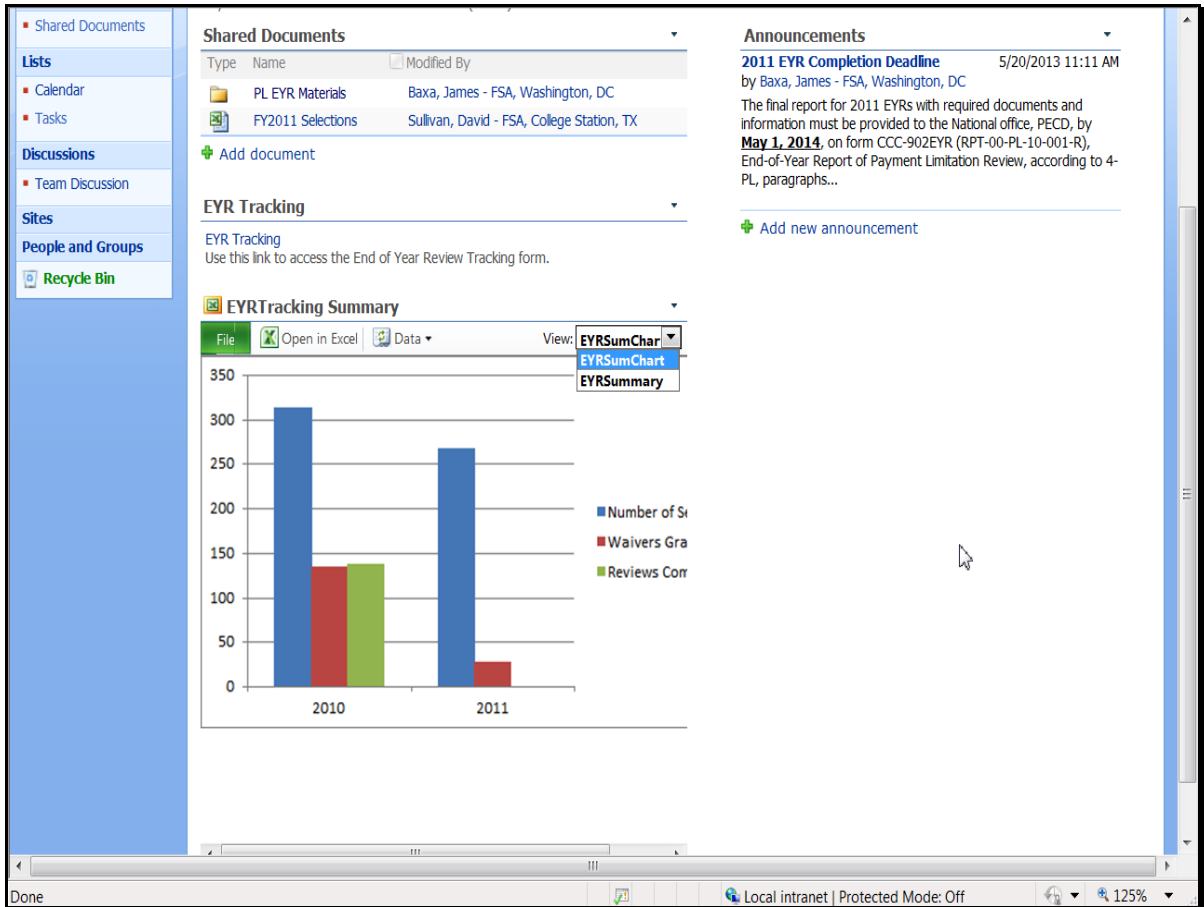
- EYR notification (paragraph 415)
- payment eligibility and limitation determinations made by the appropriate reviewing authority following completing EYR’s (paragraph 351)
- the complete 5-part CCC-900 package (paragraph 439).



452 Payment Limitation EYRs Screen (Continued)

B Payment Limitation EYRs Screen Content (Continued)

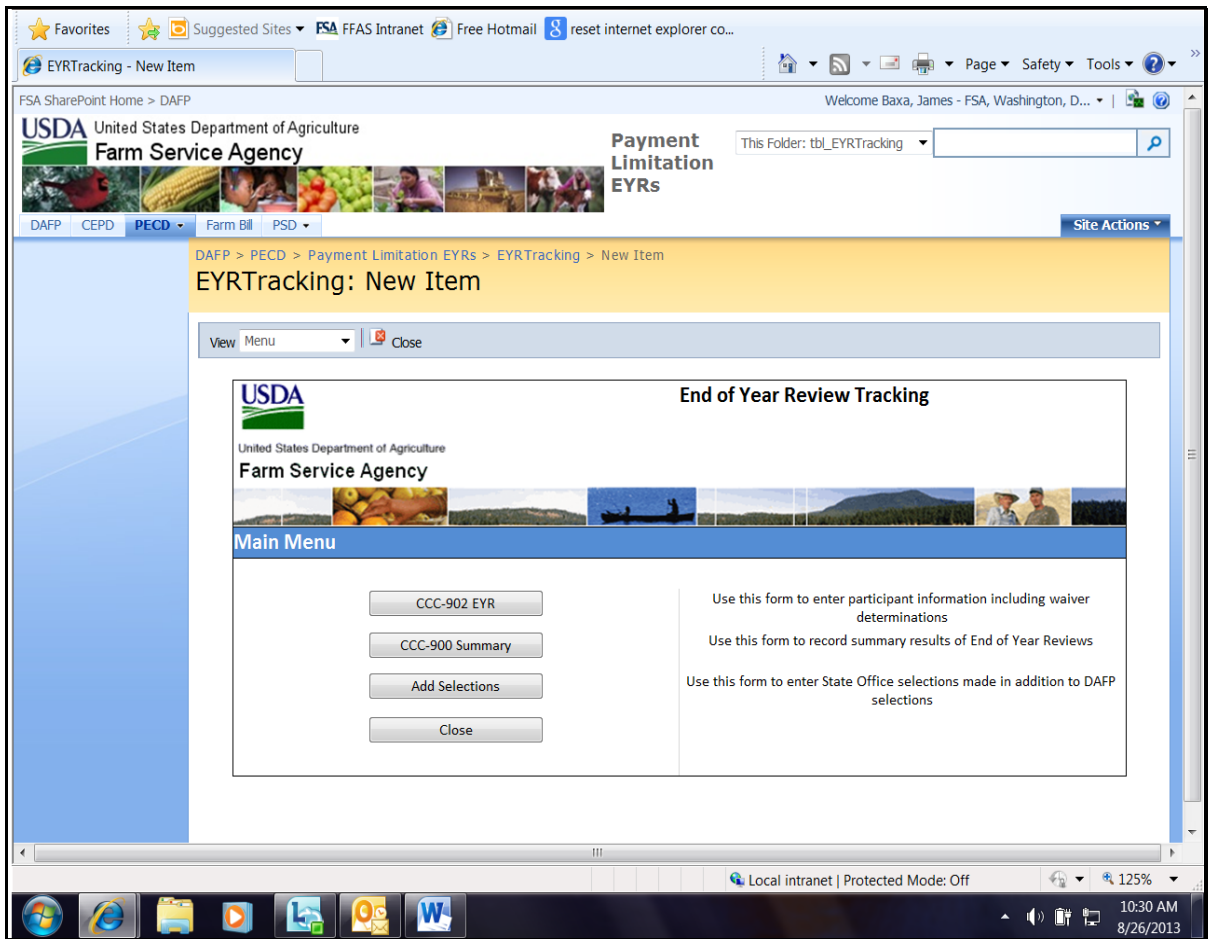
On the Payment Limitation EYRs Screen, under the heading “**EYR Tracking**,” is another selection, “**EYR Tracking Summary**”. This selection provides various reports that can be generated from the data collected on EYR’s.



452 Payment Limitation EYRs Screen (Continued)

B Payment Limitation EYRs Screen Content (Continued)

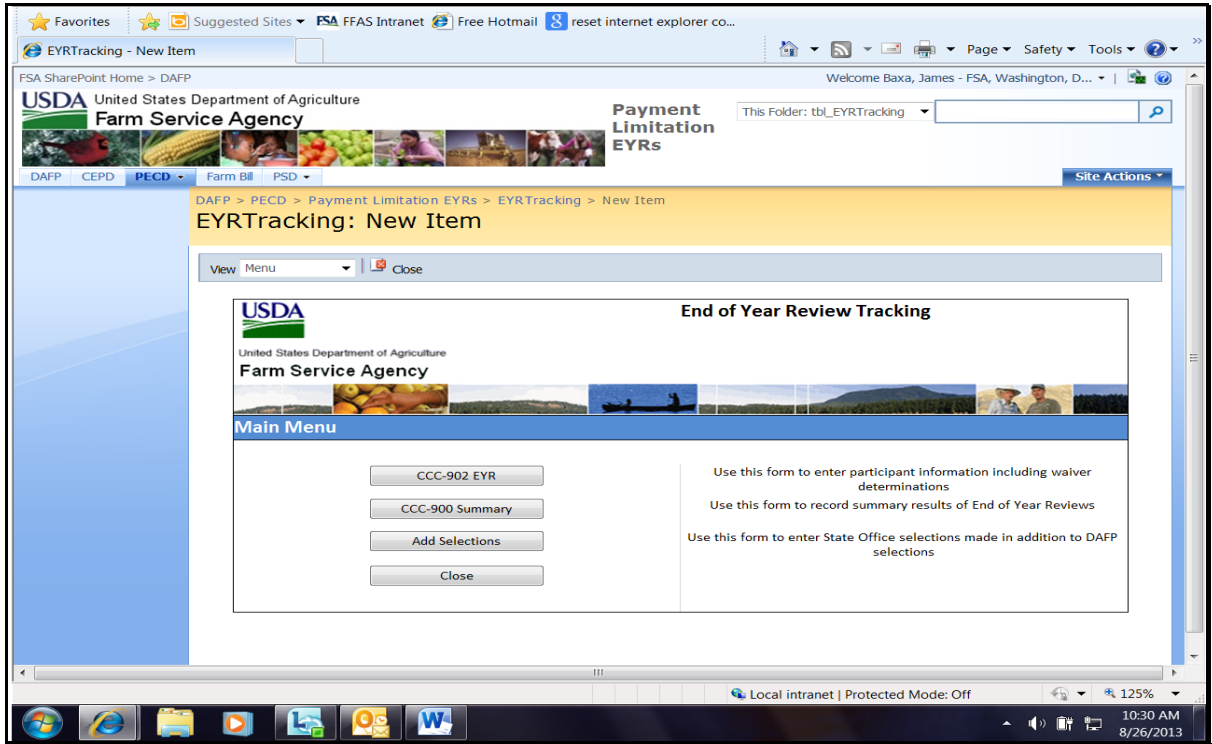
On the Payment Limitation EYRs Screen, under the heading “**EYR Tracking**”, is the following selection, “**EYR Submit**”, for loading 2009 and subsequent years’ EYR review information for the DAFP selections and additional selections made by the appropriate reviewing authority or State Office representative.



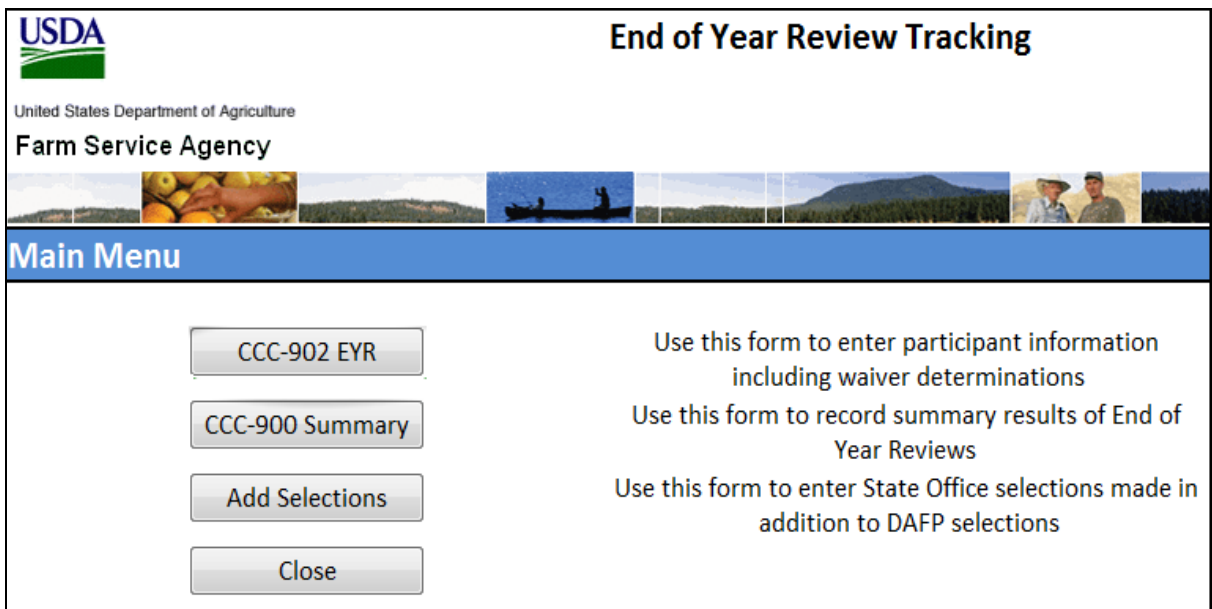
453 EYRT for Entering Participant Information

A “EYRsubmit...” Option

On the Payment Limitation EYRs Screen, under “Shared Documents”, when users CLICK “SelectionRpt”, the End of Year Tracking Main Menu will be displayed.



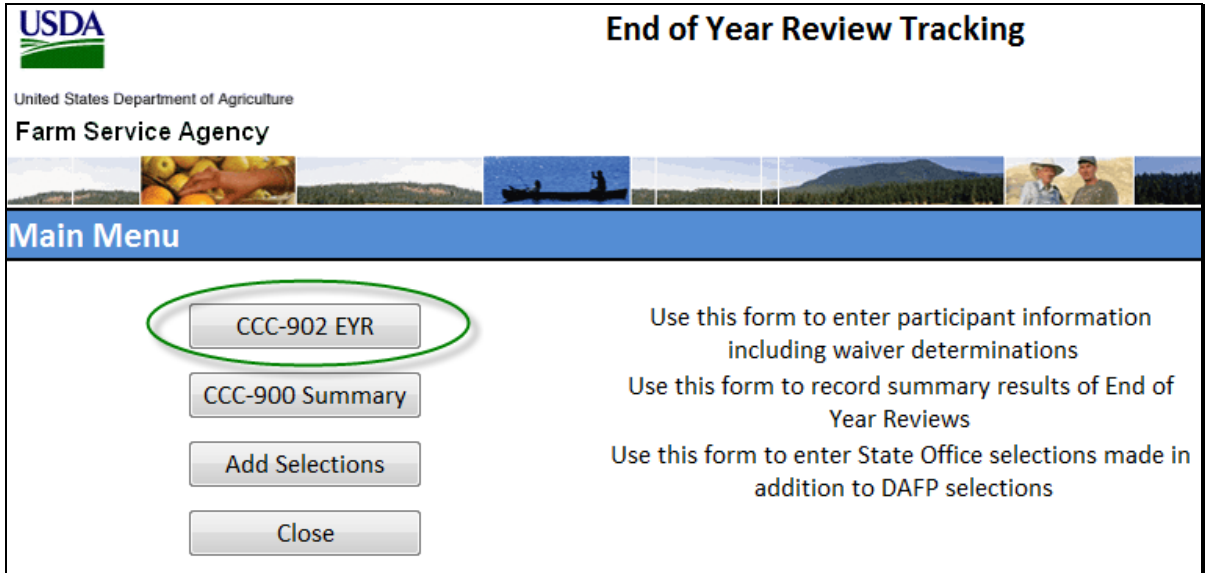
The following End of Year Review Tracking Main Menu Screen will be displayed.



453 EYRT for Entering Participant Information (Continued)

B “CCC-902 EYR” Option

If on the following End of Year Tracking Main Menu, users click “CCC-902 EYR”, users can enter farming operation information including any waivers of DAFP-selected EYR’s.



453 EYRT for Entering Participant Information (Continued)

B “CCC-902 EYR” Option (Continued)

The following End of Year Review Tracking Screen will be displayed. Information on all EYR waivers approved by the State Office and/or DAFP **must** be entered. Using the “State”, “County”, and “Producer Name” make applicable selections, in “Review FY” box, enter year, and CLICK “Save”.

**USDA**  
United States Department of Agriculture  
Farm Service Agency

**End of Year Review Tracking**

**CCC-902EYR (Individual Case Reporting)**

**State:**

**County:**

**Producer Name:**

**Review FY:**

Producer Name:  Business Type:  \*

*Answer all applicable questions.*

Identify the type of selection used to request an EYR of this operation:  \*

Was a waiver used to cause operation to be exempt from review? Yes  No

If yes, identify the type of waiver used to exempt operation from an EYR:

< Main Menu Save



453 EYRT for Entering Participant Information (Continued)

B “CCC-902 EYR” Option (Continued)

After selecting the State, county, and producer name, and clicking “Save”, the End of Year Review Tracking Screen will be redisplayed with entries populated based on selections.

From the “Business Type” drop-down list, users **must** select the applicable business.

The screenshot shows the 'End of Year Review Tracking' interface. At the top left is the USDA logo and 'United States Department of Agriculture Farm Service Agency'. A banner image shows various agricultural scenes. Below this is a blue header for 'CCC-902EYR (Individual Case Reporting)'. The form contains the following elements:

- State:** A dropdown menu with 'Arizona' selected.
- County:** A dropdown menu with 'Maricopa' selected.
- Producer Name:** A text input field.
- Review FY:** A text input field with '2011' entered.
- Producer Name:** A second text input field.
- Business Type:** A dropdown menu with 'Individual' selected. The menu options are 'Select...', 'Individual', 'Joint Operation', 'Legal Entity', and 'Select...'.
- Instructions:** The text 'Answer all applicable questions.' is displayed.
- Question:** 'Identify the type of selection used to request an EYR of this operation:'
- Waiver Question:** 'Was a waiver used to cause operation to be exempt from review?' with 'Yes' and 'No' radio buttons. The 'No' button is selected.

453 EYRT for Entering Participant Information (Continued)

B “CCC-902 EYR” Option (Continued)

From the “Identify the type of selection used to request an EYR of this operation” drop-down list, users **must** select the type of EYR.

**USDA**  
United States Department of Agriculture  
Farm Service Agency

**End of Year Review Tracking**

**CCC-902EYR (Individual Case Reporting)**

**State:** Arizona

**County:** Maricopa

**Producer Name:** [Empty]

**Review FY:** 2011

Producer Name: [Empty] Business Type: Select... \*

*Answer all applicable questions.*

Identify the type of selection used to request an EYR of this operation: Select... \*

Was a waiver used to cause operation to be exempt from review?

- Select...
- Judgemental
- Required Spot Check
- Reviewing Authority

453 EYRT for Entering Participant Information (Continued)

B “CCC-902 EYR” Option (Continued)

Answer the question, “Was a waiver used to cause operation to be exempt from review?” by clicking the applicable “Yes” or “No” radio button.

If EYR selected was waived, from the “If yes, identify the type of waiver used to exempt operation from an EYR” drop-down list, select the reason for waiver. CLICK “Save” after completing the required entries.

USDA  
United States Department of Agriculture  
Farm Service Agency

End of Year Review Tracking

CCC-902EYR (Individual Case Reporting)

State: Arizona

County: Maricopa

Producer Name:

Review FY: 2011

Producer Name: Business Type: Select... \*

**Answer all applicable questions.**

Identify the type of selection used to request an EYR of this operation: Select... \*

Was a waiver used to cause operation to be exempt from review?  
 Yes  No

If yes, identify the type of waiver used to exempt operation from an EYR: Select... \*

< Main Menu Save

- Select...
- Select...
- Husband and Wife
- Landowner Provisions
- Previously Reviewed
- Entity with no Embedded E

453 EYRT for Entering Participant Information (Continued)

C “CCC-900 Summary” Option

If on the following End of Year Tracking Main Menu, users click “CCC-900 Summary”, users can record information and summary results for EYR’s.

**USDA**  
United States Department of Agriculture  
**Farm Service Agency**

**End of Year Review Tracking**

**Main Menu**

<input type="button" value="CCC-902 EYR"/>	Use this form to enter participant information including waiver determinations
<input type="button" value="CCC-900 Summary"/>	Use this form to record summary results of End of Year Reviews
<input type="button" value="Add Selections"/>	Use this form to enter State Office selections made in addition to DAFP selections
<input type="button" value="Close"/>	

453 EYRT for Entering Participant Information (Continued)

C “CCC-900 Summary” Option (Continued)

The following End of Year Review Tracking CCC-900 Summary (Individual Case Reporting) Screen will be displayed. Enter all information collected and used to support the determination of whether the farming operation subject to EYR was eligible or ineligible for program benefits and payments. This State, county, producer name, and review year will be prefilled based on subparagraph B entries.

After completing each item, CLICK “Save” to record EYR results in EYRT.

**Note:** This screen will **not** be available to enter information if EYR is waived.

USDA United States Department of Agriculture		End of Year Review Tracking		
Farm Service Agency				
CCC-900-5 Summary (Individual Case Reporting)				
State: <input type="text" value="Arizona"/>		County: <input type="text"/>		
Producer Name: <input type="text"/>		Review FY: <input type="text" value="2011"/>		
<i>Answer all questions</i>	Yes	No		n/a
1. CCC-902 followed	<input type="radio"/>	<input type="radio"/>		
2. Significant contribution of land	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
3. Significant contribution of capital	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
4. Significant contribution of equipment	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
5. Significant contribution of "left-hand" combination	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
6. Significant contribution of active personal labor	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
7. Significant contribution of active personal management	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
8. Significant contribution of "right-hand" combination	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
9. Share of profits and losses commensurate with contributions	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
10. Contributions at risk	<input type="radio"/>	<input type="radio"/>		
11. Foreign person rule met	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
12. Spousal provision requirements met	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
13. Common attribution determination correct	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
14. Minor child determination correct	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
15. For a legal entity, such as a corporation, LLC,	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>

453 EYRT for Entering Participant Information (Continued)

C “CCC-900 Summary” Option (Continued)

16. Number of members in the farming operation claiming to make a significant contribution of active personal labor				0
17. Number of members in the farming operation determined to make a significant contribution of active personal labor				0
18. Number of members in the farming operation claiming to make a significant contribution of active personal management				0
19. Number of members in the farming operation determined to make a significant contribution of active personal management				0
20. “Actively Engaged in Farming” Requirements Met <ul style="list-style-type: none"> <li>If <b>Yes</b>, select the following factors or findings that explains how:</li> </ul>	<input checked="" type="radio"/> Yes <input checked="" type="radio"/> No <input type="checkbox"/> Land <input type="checkbox"/> Capital <input type="checkbox"/> Equipment <input type="checkbox"/> AP Labor <input type="checkbox"/> AP Management <input type="checkbox"/> Landowner Exemption			
21. Cash-rent tenant rule met <ul style="list-style-type: none"> <li>If <b>Yes</b>, select the following factors or findings that explains how:</li> </ul>	<input checked="" type="radio"/> Yes <input checked="" type="radio"/> No <input checked="" type="radio"/> n/a <input type="checkbox"/> AP Labor <b>or</b> <input type="checkbox"/> Equipment <b>and</b> <input type="checkbox"/> AP Management			
22. Substantive change requirements met <ul style="list-style-type: none"> <li>If yes, select the following factors or findings that explains how:</li> </ul>	<input checked="" type="radio"/> Yes <input checked="" type="radio"/> No <input checked="" type="radio"/> n/a <input type="checkbox"/> Family Member <input type="checkbox"/> Land rental change <input type="checkbox"/> Increase base acres <input type="checkbox"/> Ownership change of land or equip sale/gift <input type="checkbox"/> Addition of equip to farming operation			
23. Were the initial determinations correct?	<input checked="" type="radio"/>	<input checked="" type="radio"/>		
24. If discrepancies were found, did they result in an adverse determination?	<input checked="" type="radio"/>	<input checked="" type="radio"/>		
25. Adverse determination included Scheme and Device, fraud, or other actions to circumvent regulations	<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>
26. Total dollar amount of payments affected by the discrepancy?				\$0
27. Did producer provide requested documentation to complete the review?	<input checked="" type="radio"/>	<input checked="" type="radio"/>		
28. Review is complete:	<input checked="" type="radio"/>	<input checked="" type="radio"/>		
<input style="margin-right: 20px;" type="button" value=" &lt; Main Menu "/> <input style="margin-left: 20px;" type="button" value=" Save "/>				

453 EYRT for Entering Participant Information (Continued)

C "CCC-900 Summary" Option (Continued)

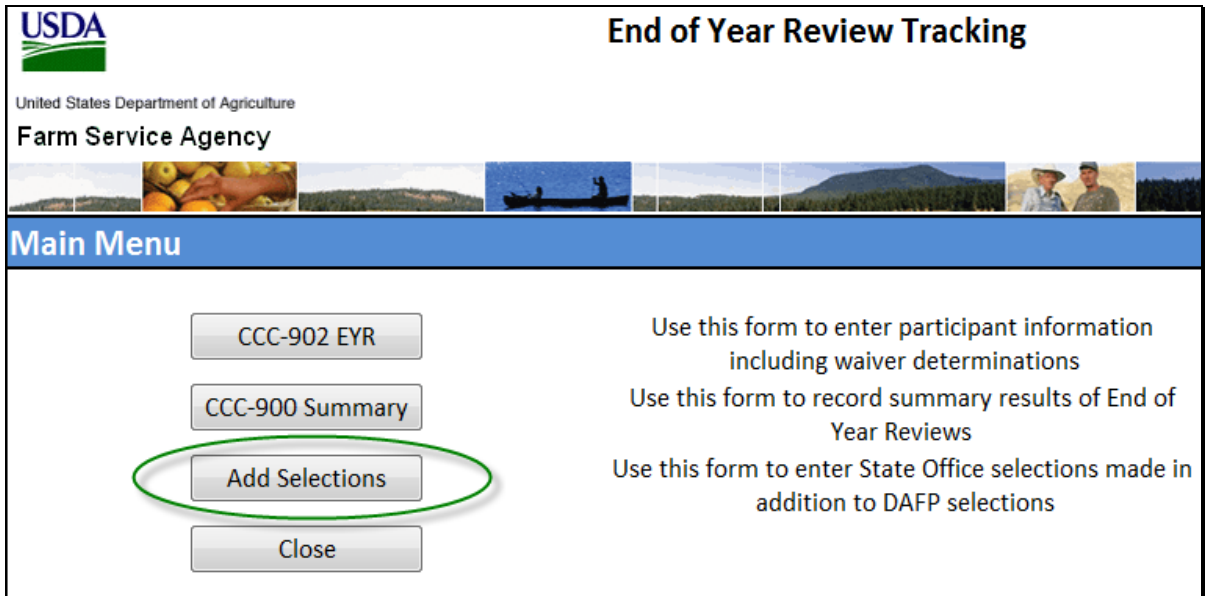
The following illustrates a printed copy of the CCC-900-5 Summary completed through EYRT. The automated version can be used in place of the manual CCC-900-5 displayed in subparagraph 439 F.

USDA United States Department of Agriculture Farm Service Agency		End of Year Review Tracking			
CCC-900-5 Summary (Individual Case Reporting)					
State:		County:			
Producer Name:		Review FY: 2011			
<b>Answer all questions</b>		<b>Yes</b>	<b>No</b>		<b>n/a</b>
1. CCC-902 followed		<input type="radio"/>	<input type="radio"/>		
2. Significant contribution of land		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
3. Significant contribution of capital		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
4. Significant contribution of equipment		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
5. Significant contribution of "left-hand" combination		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
6. Significant contribution of active personal labor		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
7. Significant contribution of active personal management		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
8. Significant contribution of "right-hand" combination		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
9. Share of profits and losses commensurate with contributions		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
10. Contributions at risk		<input type="radio"/>	<input type="radio"/>		
11. Foreign person rule met		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
12. Spousal provision requirements met		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
13. Common attribution determination correct		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
14. Minor child determination correct		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
15. For a legal entity, such as a corporation, LLC, or LLP, were contributions of active personal labor and/or active personal management of each partner, stockholder, or member: • Performed on a regular basis • Identifiable and documentable • Separate and distinct from contributions of other partners, stockholders, or members?		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
16. Number of members in the farming operation claiming to make a significant contribution of active personal labor					0
17. Number of members in the farming operation determined to make a significant contribution of active personal labor					0
18. Number of members in the farming operation claiming to make a significant contribution of active personal management					0
19. Number of members in the farming operation determined to make a significant contribution of active personal management					0
20. "Actively Engaged in Farming" Requirements Met • If Yes, select the following factors or findings that explains how: <input type="checkbox"/> Land <input type="checkbox"/> Capital <input type="checkbox"/> Equipment <input type="checkbox"/> AP Labor <input type="checkbox"/> AP Management <input type="checkbox"/> Landowner Exemption		<input type="radio"/> Yes	<input type="radio"/> No		
21. Cash-rent tenant rule met • If Yes, select the following factors or findings that explains how: <input type="checkbox"/> AP Labor or <input type="checkbox"/> Equipment and <input type="checkbox"/> AP Management		<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> n/a	
22. Substantive change requirements met • If yes, select the following factors or findings that explains how: <input type="checkbox"/> Family Member <input type="checkbox"/> Land rental change <input type="checkbox"/> Increase base acres <input type="checkbox"/> Ownership change of land or equip sale/gift <input type="checkbox"/> Addition of equip to farming operation		<input type="radio"/> Yes	<input type="radio"/> No	<input type="radio"/> n/a	
23. Were the initial determinations correct?		<input type="radio"/>	<input type="radio"/>		
24. If discrepancies were found, did they result in an adverse determination?		<input type="radio"/>	<input type="radio"/>		
25. Adverse determination included Scheme and Device, fraud, or other actions to circumvent regulations		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
26. Total dollar amount of payments affected by the discrepancy?					\$0
27. Did producer provide requested documentation to complete the review?		<input type="radio"/>	<input type="radio"/>		
28. Review is complete:		<input type="radio"/>	<input type="radio"/>		

453 EYRT for Entering Participant Information (Continued)

D “Add Selections” Option

If on the following End of Year Tracking Main Menu, users click “Add Selections”, users can record information and summary results for additional EYR’s selected by COC, STC, State Office, or other reviewing authority.





453 EYRT for Entering Participant Information (Continued)

D “Add Selections” Option (Continued)

The following End of Year Review Tracking Additional EYR Selections Screen will be displayed. Enter information about the farming operation selected for EYR and responses about the farming operation from each drop-down list and CLICK “Save”.

**USDA**  
United States Department of Agriculture  
**Farm Service Agency**

**End of Year Review Tracking**

**Additional EYR Selections**

**State:**

**Recording County:**

**Producer Name:**

**Core Customer ID:**

**Business Type:**  \*

**Review FY:**

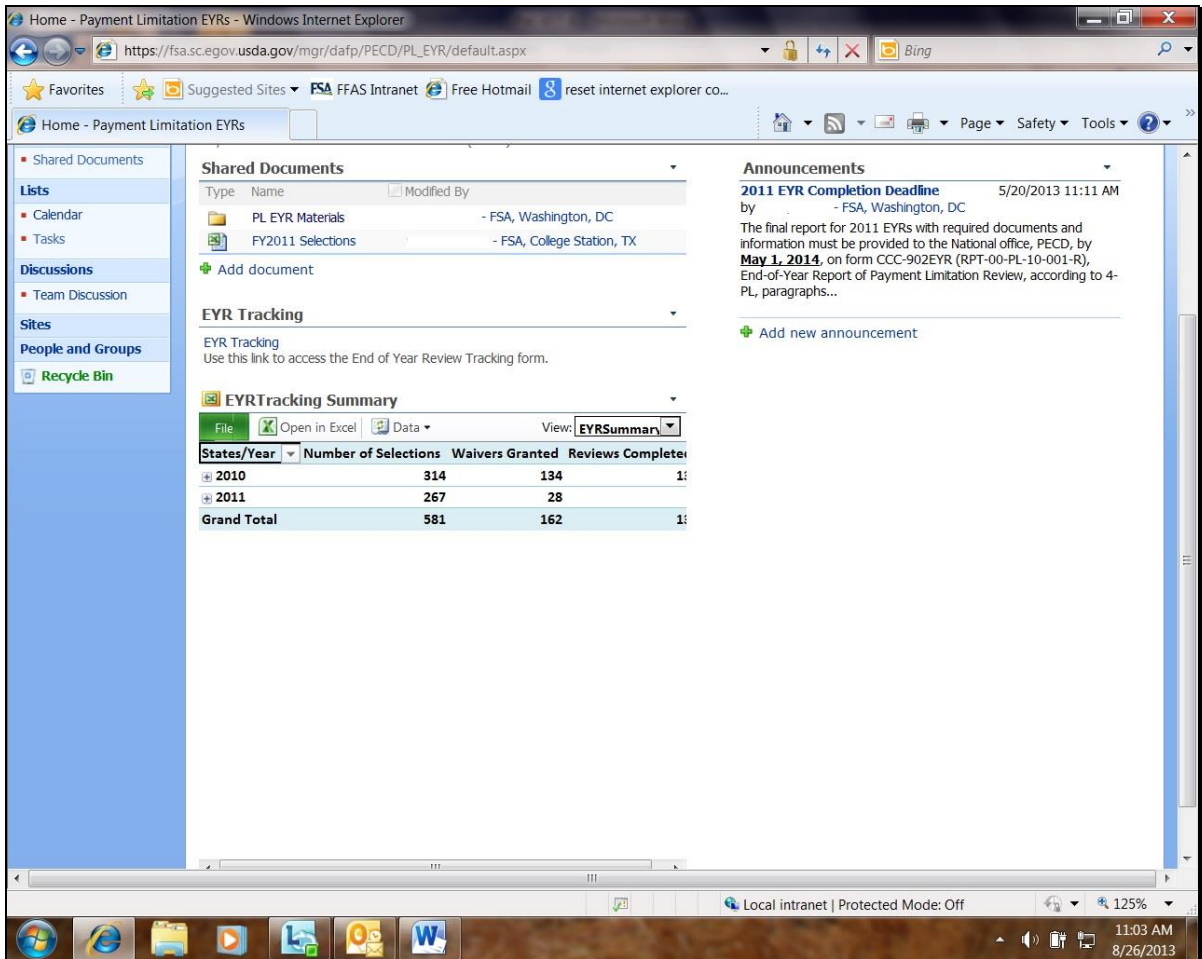
**Selection Type:**  \*

**Total Attributed Payments:**

454 EYRT for Reports by State and Program Year

A “EYR State Selection Report” Option

On the Payment Limitation EYRs Screen, under Shared Documents, CLICK “FY2009, FY2010, or FY2011 Selections” and a report of DAFP EYR selections for any given State and program year 2009 through 2011 will be generated.



454 EYRT for Reports by State and Program Year (Continued)

**B State Selection Report**

The following State Selection Report Screen will be displayed. From the “State” drop-down list, select the desired State and CLICK “Run Query” to generate the EYR State Selection Report.

**State Selection Report**

State:

Core Customer ID	State	Recording County	Producer Name	Business Type	Review FY	Selection Type	Waiver Granted	Total Attributed Payments

The following is an example of the EYR State Selection Report that will be displayed.

**State Selection Report**

State: Colorado

Core Customer ID	State	Recording County	Producer Name	Business Type	Review FY	Selection Type	Waiver Granted	Total Attributed Payments
xxxxxxxx	Colorado	Yuma	xxxxxxxxxxxx		2011	DAFP		\$xxxxxxxx
xxxxxxxx	Colorado	Yuma	xxxxxxxxxxxx		2011	DAFP		\$xxxxxxxx
xxxxxxxx	Colorado	Yuma	xxxxxxxx xxxxxx		2011	DAFP		\$xxxxxxxx
xxxxxxxx	Colorado	Kit Carson	xxxxxxxx		2011	DAFP		\$xxxxxxxx

454 EYRT for Reports by State and Program Year (Continued)

C Report Options

On the Payment Limitation EYRs Screen, under EYR Tracking Summary, information can be summarized and illustrated either in Excel spreadsheet format or as a chart. The following screens illustrate and include instructions on how the report information can be selected, filtered, summarized, refreshed and saved.

The screenshot shows the 'EYRTracking Summary' application window. On the left, a bar chart displays data for 2010 and 2011. The legend indicates three categories: Number of Selections (blue), Waivers Granted (red), and Reviews Completed (green). The 'View' dropdown menu in the top right corner is open, showing three options: EYRSumChart, EYRSumChart, and EYRSummary. An orange arrow points from a text box to the EYRSummary option.

Year	Number of Selections	Waivers Granted	Reviews Completed
2010	314	134	137
2011	267	28	137

The user can change between the Summary chart and Summary report.

The screenshot shows the 'EYRTracking Summary' application window displaying a table. The table has columns for States/Year, Number of Selections, Waivers Granted, and Reviews Completed. The rows for 2010 and 2011 are expanded, while the row for 2011 (repeated) is collapsed. An orange arrow points from a text box to the '+' symbol next to the collapsed row.

States/Year	Number of Selections	Waivers Granted	Reviews Completed
+ 2010	314	134	137
+ 2011	267	28	137
+ 2011	581	162	137

The initial setup for Summary Report is collapsed line items. The report can be expanded by clicking each “+” symbol.

454 EYRT for Reports by State and Program Year (Continued)

C Report Options (Continued)

States/Year	Number of Selections	Waivers Granted	Reviews Completed
2010	314	134	137
Alabama	7	6	6
Arizona	18	16	16
Arkansas	65	56	65
California	28	4	2
Colorado	3	3	2
Georgia	11		
Idaho	5		
Illinois	4		
Indiana	7	7	7
Iowa	4	3	4
Kansas	6	6	5
Kentucky	2		
Louisiana	22	16	14
Michigan	1	1	
Minnesota	5		
Mississippi	69		
Missouri	10	10	10

From the expanded view for each year, the summary data for each State is displayed.

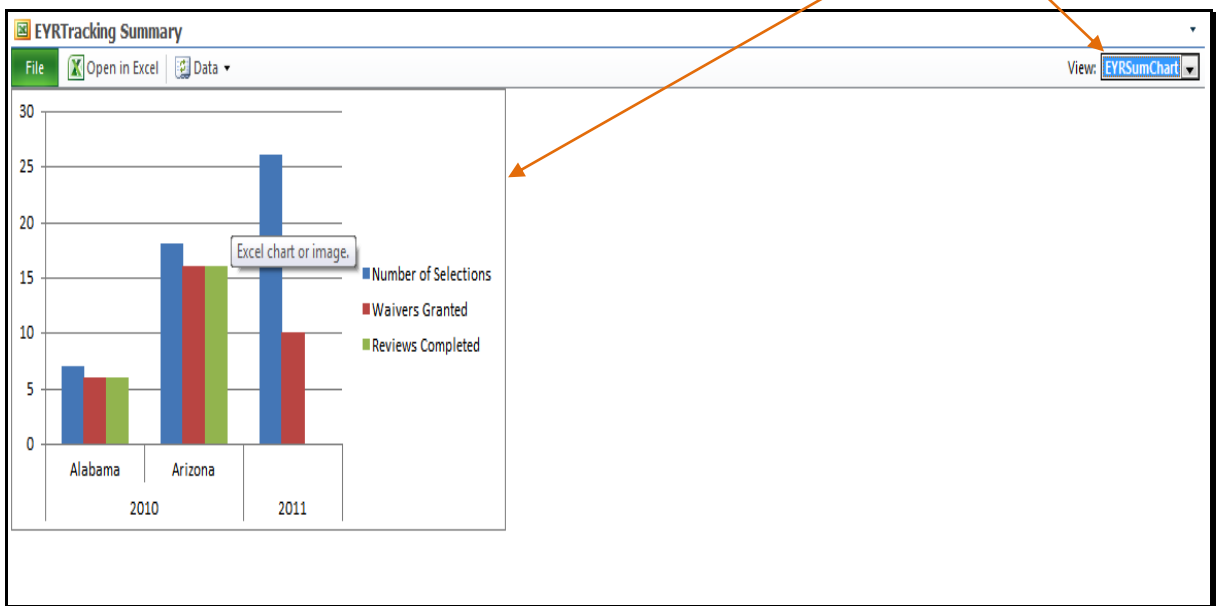
States/Year	Number of Selections	Waivers Granted	Reviews Completed
2010	14	134	137
Alabama	7	6	6
Arizona	18	16	16
Arkansas	65	56	65
California	28	4	2
Colorado	3	3	2
Georgia	11		

The report can be filtered by the Review Year and/or State by selecting the drop down box next to "States/Year".

454 EYRT for Reports by State and Program Year (Continued)

C Report Options (Continued)

Once the filter is set, only those States in a given review year(s) will be displayed. The user can flip to the chart to get a visual representation with the filter in place.



454 EYRT for Reports by State and Program Year (Continued)

C Report Options (Continued)

The screenshot shows the EYRTracking Summary application interface. The 'File' menu is open, displaying several options: 'Open in Excel', 'Download a Snapshot', 'Download a Copy', and 'Reload Workbook'. The 'Reload Workbook' option is highlighted with a yellow background. A callout box with an orange border points to this option, containing the text: 'To ensure that the most recent data is loaded into the report, CLICK "File" then "Reload Workbook".' The background shows a bar chart with data for 2010 and 2011, with a legend for 'Number of Selections', 'Waivers Granted', and 'Reviews Completed'.

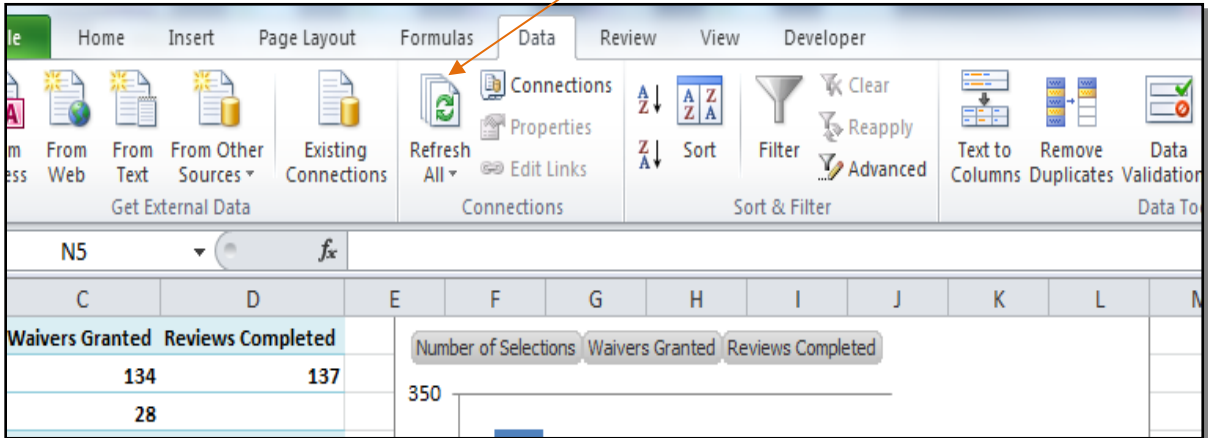
To refresh the report, CLICK "Open in Excel", select "Edit" in the "Open Document" dialog box, then CLICK "OK".

The screenshot shows the EYRTracking Summary application with the 'Open Document' dialog box open. The dialog box contains the following information: 'You are about to open:', 'Name: EYRTrackingSummary.xlsx', 'From: fsa.sc.egov.usda.gov', and 'How would you like to open this file?' with radio buttons for 'Read Only' and 'Edit' (which is selected). There are 'OK' and 'Cancel' buttons at the bottom. A warning message at the bottom of the dialog reads: 'Some files can ham your computer. If this information looks suspicious, or you do not fully trust the source, do not open the file.' An arrow points from the 'Open in Excel' button in the application to the dialog box.

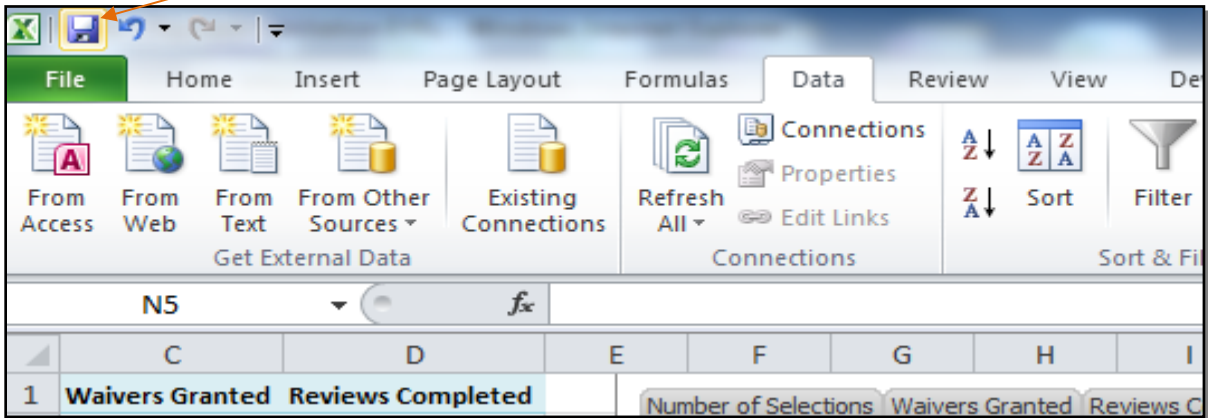
454 EYRT for Reports by State and Program Year (Continued)

C Report Options (Continued)

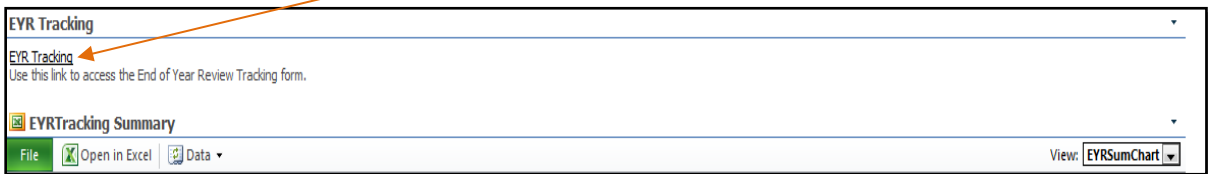
Once Excel is open, go to the “Data” tab, then click “Refresh All”.



Then click “Save” at the top or go to “File” then, Save.



To use the form, click the “EYR Tracking” link. A new window will open with the form.





**\*--Section 5 IRDTS Tracking of 2025 and Subsequent Years EYR****455 Tracking EYR's in 2025 and Subsequent Years****A Overview**

Beginning in 2025, all EYR's for FY 2022 and subsequent years will be tracked using IRDTS.

**B Responsibilities**

The DAFP and STC or COC EYR selections and review results for FY 2022 and subsequent years will be tracked in IRDTS.

The National Program Manager is responsible for:

- ensuring DAFP judgmental selections are entered into IRDTS
- the review is established for the FY.

State Office Specialists with payment limitation or payment eligibility responsibility must request the COC and STC selections be added through the IRDTS Manual Spot Check process according to paragraph 475.

State Office Specialists are responsible for entering all EYR results and findings in IRDTS.

**C Submission Date**

STC must establish a date or dates for County Offices and Review Teams to submit adequate documentation to evidence the findings of the review and the COC's determination, including any overpayments to the State Office Specialist.

The National Program Manager must annually establish a deadline for completing reviews and loading review results in IRDTS. This deadline will be announced in correspondence to each State Office when the DAFP judgmental selections are announced.--\*

**\*--456 Introduction to EYR Tracking in IRDTS****A IRDTS Overview**

IRDTS is a web-based system that:

- provides EYR selection information to State Office Specialists
- provides reporting and summarization capabilities for EYR findings, determinations, and related information recorded for the farming operations reviewed
- allows National Office Program Manager and State Office Specialists to track and analyze completion, findings, determinations, and waiver requests.

**B EYR Tracking in IRDTS**

The EYR tracking process in IRDTS was designed to:

- record and track, by participant or farming operation and program year, all EYR review findings, results, and determinations
- serve as a data source for status reports on EYR completion and results
- protect review information from unauthorized access or changes
- provide information to use when evaluating the application and effectiveness of current payment eligibility and payment limitation provisions.

**C Accessing IRDTS**

EYR in IRDTS is accessible from the FPACNow FPAC Service Requests page at <https://usdafpacbc.servicenowservices.com/fpacnow>.

From the FPACNow Service Requests page, authorized users can access EYR Tracking in IRDTS by selecting IRDTS/My EYR Internal Control Reviews.

A Helpdesk ticket at [https://usdafpacbc.servicenowservices.com/isd?id=isd\\_index](https://usdafpacbc.servicenowservices.com/isd?id=isd_index) must be submitted for:

- State Office Specialists with payment limitation or payment eligibility responsibilities who do not have IRDTS access
- IRDTS issues.--\*

**\*--456 Introduction to EYR Tracking in IRDTS (Continued)**

**D State Office Action**

For FY 2025 and subsequent EYR records, State Offices are encouraged to do the following:

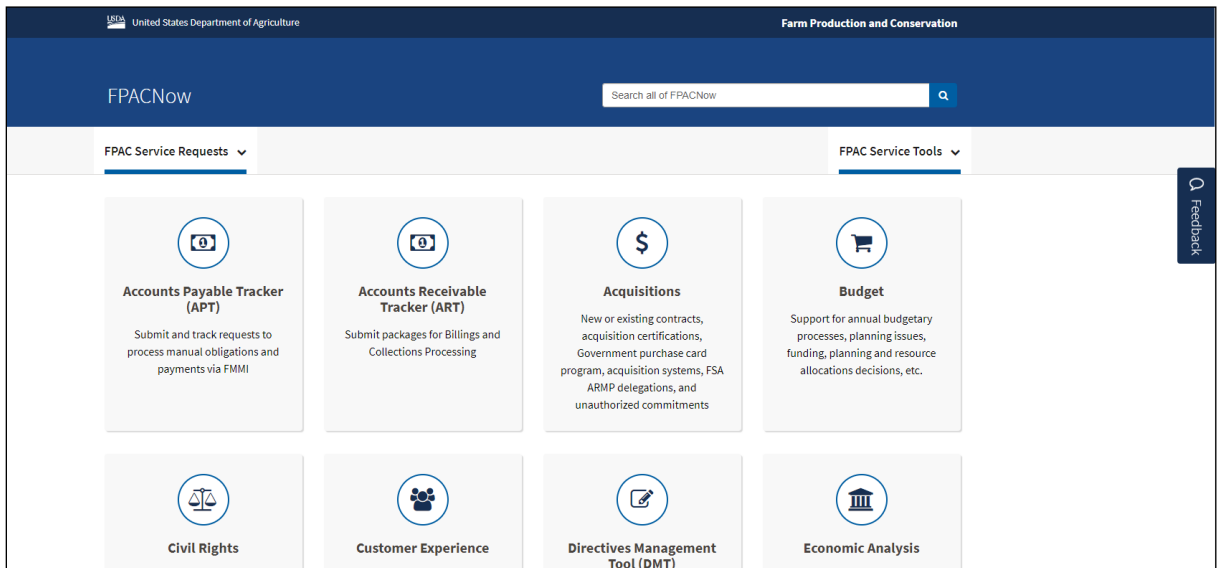
- review the records for accuracy
- request an update of the preloaded records, if necessary
- enter records for additional EYR selections made
- enter results as EYR's are completed
- periodically review the dashboard to check the status of review completion
- track the results of EYR's.--\*

\*--457 Payment Limitation EYR IRDTS Review Tracking Screens

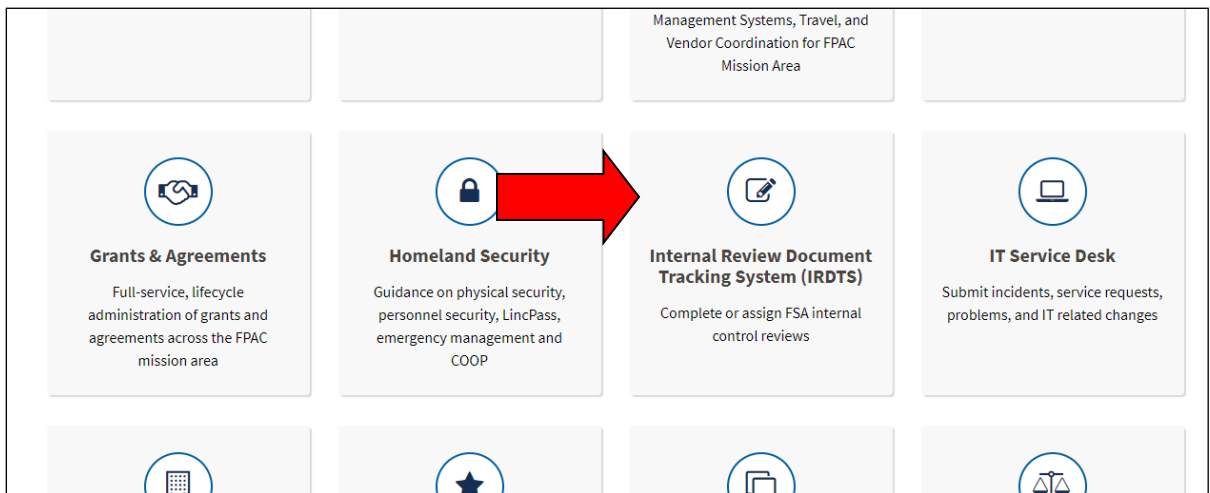
A Accessing Assigned EYR's

The Payment Limitation State Office Specialist will access assigned EYR's from the FPACNow Service Requests page by selecting the Internal Review Document Tracking System (IRDTS) tile.

The following is an example of the FPACNow Service Request screen.



The following is an example of the Internal Review Document Tracking System (IRDTS) tile.



--\*

\*--457 Payment Limitation EYR IRDTS Review Tracking Screens (Continued)

A Accessing Assigned EYR's (Continued)

The following is an example of the My EYR Internal Control Reviews screen.

The screenshot displays the 'Internal Review Document Tracking System' interface. At the top, it shows the USDA logo and 'United States Department of Agriculture' on the left, and 'Farm Production and Conservation' on the right. Below this is a search bar for 'Search all of FPACNow'. The main content area features an 'IRDTS Menu' on the left with categories like 'Explore Resources', 'Request Services', and 'Search Records'. The central part of the screen shows a map of the United States titled 'World / United States of America IRDTS Assessment Status by State', with a legend below it ranging from 0 to 1. A red arrow points to the 'My EYR Internal Control Reviews' tab in the navigation bar. Below the navigation bar, there is a filter section for 'My Internal Control Reviews' with dropdown menus for 'Assessment Program', 'Assessment', 'Status' (with options for 'Not Started' and 'In Progress'), 'State', and 'Group by'.

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\*--457 Payment Limitation EYR IRDTS Review Tracking Screens (Continued)

A Accessing Assigned EYR's (Continued)

The DAFP judgmental selections assigned to the user will be displayed, including any delegated reviews. Selecting the listed review allows the user to record the results of the completed EYR.

**Note:** Several resource articles are available from the IRDTS menu to assist with recording review results and using the available dashboard.

The following is an example of the My EYR Internal Control Reviews screen with DAFP judgmental selections assigned to the user.

The screenshot displays two sections of a web application interface. The top section, titled "My EYR Internal Control Reviews", features a dark blue header with a "Manage Delegates" button. Below the header are five filter dropdown menus: "Assessment" (set to "All"), "Producer" (set to "All"), "Status" (with options "Not Started" and "In Progress"), "County" (set to "All"), and "State" (set to "All"). Below these filters, a message states "No reviews meet the selected filter." A pagination bar shows "Previous", "1", and "Next". The bottom section, titled "EYR Delegated Internal Control Reviews", has a similar dark blue header. It includes three filter dropdown menus: "Assessment Program" (set to "Payment Limit..."), "Assessment" (set to "All"), and "Status" (with options "Not Started" and "In Progress"). A message below reads "No reviews meet the selected filter." and a pagination bar shows "Previous", "1", and "Next".

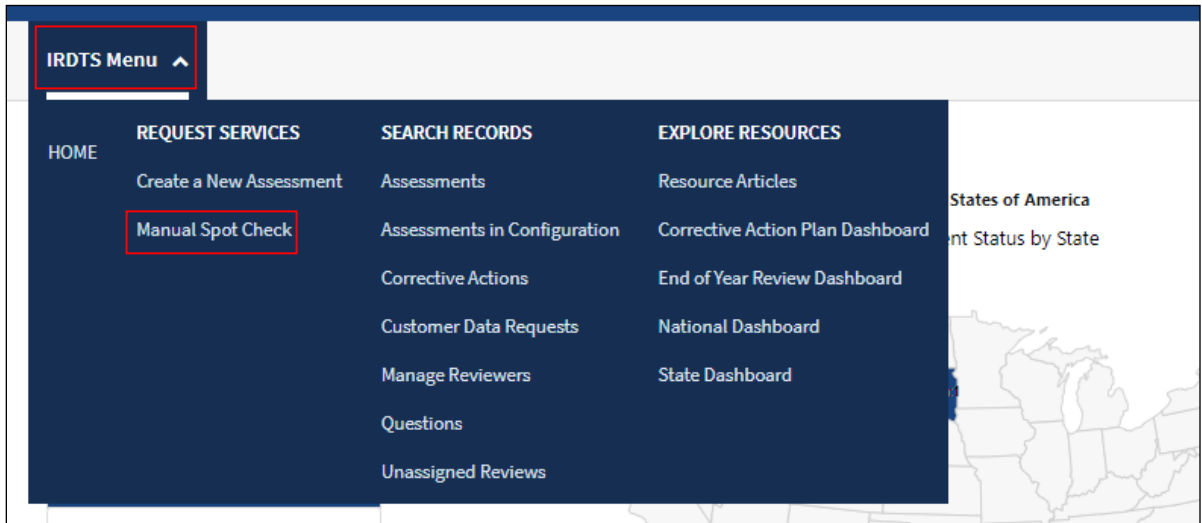
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\*--457 Payment Limitation EYR IRDTS Review Tracking Screens (Continued)

**B Adding Additional EYR Selections**

State Office Specialists will add additional EYR selections made according to paragraph 414 by creating a Manual Spot Check in IRDTS. To create a Manual Spot Check, users will be accessing the IRDTS portal and then:

- CLICK on “IRDTS Menu”
- select “Manual Spot Check”.



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**\*--457 Payment Limitation EYR IRDTS Review Tracking Screens (Continued)**

**B Adding Additional EYR Selections (Continued)**

The following “Create a Manual Spot Check” form will be displayed. Users must:

- complete all required entries according to subparagraph C
- CLICK “Submit”.

The screenshot shows a web application interface for creating a manual spot check. At the top, there is a navigation bar with 'IRDTS Menu' and 'FPAC Service Tools'. Below this is a breadcrumb trail: 'Home > Create a Manual Spot Check'. The main content area is titled 'Create a Manual Spot Check' with a subtitle 'Create a manual Assessment Sample for an End of Year Review.' On the right side of the form, there is a large blue 'Submit' button. The form contains several required fields, each marked with a red asterisk: 'Reason for Spot Check' (a dropdown menu currently showing '-- None --'), 'Program' (a dropdown menu showing 'Payment Limitation and Payment Eligibility'), 'Internal Assessment' (a dropdown menu), 'Producer Name (Customer Location)' (a text input field), 'Producer CCID' (a text input field), 'EYR Fiscal Year' (a dropdown menu showing '-- None --'), and 'County' (a dropdown menu). At the bottom right of the form, there is a link with a paperclip icon labeled 'Add attachments'. To the right of the form, a 'Required information' summary box lists the fields: 'Reason for Spot Check', 'Internal Assessment', 'Producer Name (Customer Location)', 'EYR Fiscal Year', and 'County'.

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\*--457 Payment Limitation EYR IRDTS Review Tracking Screens (Continued)

**C Completing a Manual Spot Check Form**

Users must complete all required entries to create a Manual Spot Check. Some entries will require additional information or Program Manager action before the EYR Selection will be added to the user’s worklist. The following table provides guidance on completing the form.

Entry	User Action	Additional Information
Reason for Spot Check	Select from the available options on the drop-down list: <ul style="list-style-type: none"> <li>• “Reason to believe the farm operating plan was not followed as represented.”</li> <li>• “Considered necessary by a State Office Rep to maintain program integrity.”</li> <li>• “Other”.</li> </ul>	If “Other” is selected by the user, an additional required entry field will be displayed. User must enter an “Explanation” in this field for the selection. Program Manager will review the explanation and determine if the requirements of paragraph 414 have been met for approval of the additional selection.  <b>Note:</b> Selecting the options other than “Other” will not require additional information or review by Program Manager.
Internal Assessment	Begin typing the assessment name in the field and select the corresponding record from the selections that appear.	The Internal Assessment name will be provided to State Office Payment Limitation Specialists by Program Manager.
Producer Name (Customer Location)	Type the name of the producer selected for EYR.	Enter the name exactly as it appears in MIDAS BP.  <b>Note:</b> Do not use the Common Customer Name.
Producer CCID *	Type the CCID for the selected producer.	Recommended but not required.
EYR Fiscal Year	Select the appropriate “EYR Fiscal Year” from the drop-down list.	Select the FY being reviewed.
County	Begin typing the “County” name in the field and select from the drop-down list.	The State name will automatically populate when County is selected.

\* “Producer CCID” is not a required entry to submit the Manual Spot Check request.

Users may attach documentation to the Manual Spot Check form if necessary to support entries requiring Program Manager review.

Additional instructions with screenshots are available on the IRDTS Knowledge page by selecting “Explore Resources/Resource Articles” from the IRDTS Portal.--\*

**\*--458 End of Year Review Dashboard**

**A Available Dashboards**

Authorized users will be able to view available data by assessment status, status by State, status by county, or response data. Available dashboards will be accessed by selecting End of Year Review Dashboard from the IRDTS Menu/Explore Resources options. Users with questions about dashboard use may access the available Resource Articles for dashboard user guides.

**459 Recording EYR Results in IRDTS**

**A Overview**

Authorized users will be able to select any review assigned in IRDTS, including the DAFP judgmental selections and Manual Spot Checks according to paragraph 457. Once the EYR has been conducted and the 5-part CCC-900 package is complete, authorized users must record the results in IRDTS. All review results must be submitted in IRDTS by the deadline provided.

**B Entering Results**

Authorized must answer a series of questions based on the completed CCC-900 package and according to the following table. Some response options will result in an automated notification to the Program Manager. The Program Manager will contact the user for additional information once the Program Manager has reviewed recorded responses.

<b>Question</b>	<b>Response Options</b>	<b>Additional Information</b>
CCC-902 followed.	Yes No A CCC-902 was not filed	Selecting "A CCC-902 was not filed" will result in Program Manager notification.
Significant contribution of land.	Yes No Not Applicable	Select "Not Applicable" if CCC-902 was not filed.
Significant contribution of capital.	Yes No Not Applicable	Select "Not Applicable" if CCC-902 was not filed.
Significant contribution of equipment.	Yes No Not Applicable	Select "Not Applicable" if CCC-902 was not filed.

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## \*--459 Recording EYR Results in IRDTS (Continued)

**B Entering Results (Continued)**

<b>Question</b>	<b>Response Options</b>	<b>Additional Information</b>
Significant contribution of “left-hand” combination.	Yes No Not Applicable	Select “Not Applicable” if CCC-902 was not filed.
Significant contribution of active personal labor.	Yes No Not Applicable	Select “Not Applicable” if CCC-902 was not filed.
Significant contribution of active personal management.	Yes No Not Applicable	Select “Not Applicable” if CCC-902 was not filed.
Significant contribution of “right-hand” combination.	Yes No Not Applicable	Select “Not Applicable” if CCC-902 was not filed.
Share of profits and losses commensurate with contributions.	Yes No Not Applicable	Select “Not Applicable” if CCC-902 was not filed.
Contributions at risk.	Yes No Not Applicable	Select “Not Applicable” if CCC-902 was not filed.
Foreign person rule met.	Yes No Not Applicable	If the producer is not a foreign producer, select “Not Applicable”.
Spousal provision requirements met.	Yes No Not Applicable	If spousal provisions are not applicable, select “Not Applicable”.
Common attribution determination correct.	Yes No	If there is no common attribution required, select “Yes”.
Minor child determination correct.	Yes No Not Applicable	If there is no minor child associated with the operation, select “Not Applicable”.
For a legal entity, such as a corporation, LLC, or LLP, were contributions of active personal labor and/or active personal management performed on a regular basis.	Yes No Not Applicable	If the operation is not a legal entity, select “Not Applicable”.

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\*--459 Recording EYR Results in IRDTS (Continued)

**B Entering Results (Continued)**

Question	Response Options	Additional Information
For a legal entity, such as a corporation, LLC, or LLP, were contributions of active personal labor and/or active personal management identifiable and documentable.	Yes No Not Applicable	If the operation is not a legal entity, select "Not Applicable".
For a legal entity, such as a corporation, LLC, or LLP, were contributions of active personal labor and/or management separate and distinct from contributions of other partners, stockholders, or members?	Yes No Not Applicable	If the operation is not a legal entity, select "Not Applicable".
For non-family joint operations did documentation support approval of additional members seeking to qualify more than one member with only a significant contribution of active personal management.	Yes No Not Applicable	If the operation is a family joint operation or entity, or if a non-family joint operation does not seek to qualify more than 1 member with only a significant contribution of active personal management, select "Not Applicable".
Number of members of the farming operation claiming to make significant contribution of active personal labor.	Numerical Entry	
Number of members of the farming operation determined to have made a significant contribution of active personal labor.	Numerical Entry	
Number of members of the farming operation claiming to make significant contribution of active personal management.	Numerical Entry	

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\*--459 Recording EYR Results in IRDTS (Continued)

**B Entering Results (Continued)**

Question	Response Options	Additional Information
Number of members of the farming operation determined to have made a significant contribution of active personal management.	Numerical Entry	
“Actively engaged in farming” requirements met?	Yes No	“Yes” will result in a follow-up question being displayed.
Select the following factors or findings that explains how requirements were met.	Land  Capital  Equipment  Active personal labor  Active personal management  Landowner exemption	Question will only display if “Yes” is selected for the actively engaged in farming question.  User must select at least 1 and up to 6 responses.
“Cash-rent tenant” rule met?	Yes No Not Applicable	“Yes” will result in a follow-up question being displayed.  If operation does not include any cash rented land, select “No”.
Select the following factors or findings that explain how the rule was met.	Active personal labor  Equipment  Active personal management	Question will only display if “Yes” is selected for the cash-rent tenant rule question.  User must select at least 1 and up to 3 responses.
Substantive change rule met.	Yes No Not Applicable	“Yes” will result in a follow-up question being displayed.  If substantive change was not applicable, select “Not Applicable”.

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\*--459 Recording EYR Results in IRDTS (Continued)

**B Entering Results (Continued)**

Question	Response Options	Additional Information
Select the following factors or findings that explain how the rule was met.	Family member  Land rental change (landowner only; cash to share rent)  Increase in land used for agricultural production of 20% or more Ownership change of land, equipment or livestock by sale or gift to new member  Addition of equipment to the farming operation	Question will only display if “Yes” is selected for the substantive change rule question.  User must select at least 1 and up to 5 responses.
Were the initial determinations correct?	Yes No	Selecting “No” will result in Program Manager notification and the user will be required to provide an explanation.
If discrepancies were found, will the discrepancies result in an adverse determination?	Yes No	Selecting “Yes” will result in Program Manager notification.
If discrepancies or adverse finding were made, did the findings include scheme or device, fraudulent representations, or other actions to circumvent payment eligibility or payment limitation provisions?	Yes No	
Total dollar amount of payments affected by the discrepancy or adverse findings.	Dollar Amount	User must enter a dollar amount ranging from \$0 - \$1,000,000,000.

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\*--459 Recording EYR Results in IRDTS (Continued)

**B Entering Results (Continued)**

Question	Response Options	Additional Information
Provide an explanation of why the initial determinations were not correct.	Text Entry	Only displays if required to be answered.  User must provide an explanation if the question displays. Program Manager will be notified and will contact user if additional information is necessary.
Did the producer provide the requested documentation to complete the review?	Yes No	
Was an interview conducted?	Yes No	Selecting “No” will result in Program Manager notification and the user will be required to provide an explanation.
Did the interview support the claims made on the CCC-902?	Yes No	Question only displays if “Was an interview conducted?” was answered with “Yes”.
Provide an explanation of why an interview was not conducted.	Text entry	Question only displays if required. If the question displays, user must provide an explanation. Program Manager will be notified and will contact user if additional information is necessary.
Is the review complete?	Yes No	
Recommendations	Text entry	User must enter the review team recommendations.

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**\*--459 Recording EYR Results in IRDTS (Continued)**

**C Saving Responses**

Users can save responses at any time without submitting the review. A message will be displayed requiring a response. User must select a reason from the drop-down list and then enter comments before the responses will save. Review status will update to “In Progress” after responses are saved. Users can then select the review from “My EYR Internal Control Reviews” to continue recording results.

Before we save your work...

Please select the reason that prevents you from submitting the review

Please select one option

Save

**FY24 EYR/AGI Sot Check**

**Review Status: In Progress**

**D Reviewing and Submitting Results**

Once all required entries have been made according to subparagraph B, authorized users will have an opportunity to review all answers before submitting. Users must address any error messages, and questions highlighted in red on the review screen require additional user action before the review can be submitted. Comments can be added to the review to provide necessary additional information, and users may attach the CCC-900 series forms or additional documentation before submitting the review.

**Note:** Once the review has been submitted, only the National Program Manager can make changes to the recorded responses.--\*



**\*--459 Recording EYR Results in IRDTS (Continued)**

**E National Office Review**

National Program Manager will be notified when reviews are completed and when responses that require additional follow-up are recorded. Additional information will be requested, if necessary, to support the recorded review results.--\*

**460-464 (Reserved)**



**Part 8 Adjusted Gross Income (AGI)**

**465 Average AGI Limitation**

**A Rule**

[7 CFR 1400.500] A person or legal entity must **not** be eligible to receive certain program payments and benefits beginning with the 2014 crop year, program year, or FY, unless otherwise noted, if the average AGI exceeds the specified amount.

**B AGI Limitation**

The \$900,000 average AGI limitation applies as follows.

IF average AGI exceeds...	THEN the person or legal entity is ineligible for payments and benefits under the following programs...
<p>\$900,000</p> <p><b>Note:</b> Average AGI or comparable measure, of the person or legal entity over the 3 taxable years preceding the most immediately preceding complete taxable year, for which payments or benefits are requested. <b>Exclude</b> any years for which the person or legal entity did <b>not</b> have taxable income.</p>	<p>for:</p> <ul style="list-style-type: none"> <li>• October 1, 2011, and subsequent years:               <ul style="list-style-type: none"> <li>• ELAP</li> <li>• LFP</li> <li>• LIP</li> <li>• TAP</li> </ul> </li> <li>• 2014 and subsequent years, NAP</li> <li>• 2014 through 2023:               <ul style="list-style-type: none"> <li>• AMA</li> <li>• ARC</li> <li>• LDP</li> <li>• MLG</li> <li>• PLC</li> <li>• *--RTCP--*</li> </ul> </li> <li>• 2015 and subsequent years:               <ul style="list-style-type: none"> <li>• Agricultural Conservation Easement Program</li> <li>• Conservation of Private Grazing Land Program</li> <li>• CSP</li> <li>• CRP</li> <li>• EQIP</li> <li>• Farmable Wetland Program</li> <li>• Grassroots Source Water Protection Program</li> <li>• Regional Conservation Partnership Program</li> <li>• Voluntary Public Access and Habitat Incentive Program</li> </ul> </li> </ul>

**465 Average AGI Limitation**

**B AGI Limitation (Continued)**

<p><b>IF average AGI exceeds...</b></p>	<p><b>THEN the person or legal entity is ineligible for payments and benefits under the following programs...</b></p>
	<ul style="list-style-type: none"> <li>• 2018 and 2019 only, MFP</li> <li>•*--2020 only:             <ul style="list-style-type: none"> <li>• SMHPP</li> <li>• PARP</li> <li>• CFAP</li> <li>• PLIP--*</li> </ul> </li> </ul>

**466 Applying Average AGI Limitations**

**A Programs and Benefits**

\*--[7 CFR 1400.500] Effective for FY's 2014 and succeeding years, programs and benefits subject to the average AGI limitation provision include the following:

- ARC
- CFAP
- ELAP
- LDP
- LFP
- LIP
- NAP
- PARP
- PLIP
- PLC
- TAAF
- TAP
- RTCP
- SMHP--\*.

**466 Applying Average AGI Limitations (Continued)**

**A Programs and Benefits (Continued)**

Effective for FY's 2015 and succeeding years, conservation programs as specified under the following:

- Agricultural Improvement Act of 2018
- Agricultural Act of 2014, Title II
- Food, Conservation, and Energy Act of 2008, Title I
- Food Security Act of 1985, Title XII.

The average AGI limitation provision includes all benefits, cost-share payments, easements, and rental payments under programs such as:

- AMA
- AWEP
- CRP
- CSP
- EQIP
- any other program this provision is made applicable by statute and regulation.



**467 AGI Definitions and Determinations****A Definition of AGI**

[7 CFR 1400.501] AGI means, for a:

- person, the amount reported to IRS on the appropriate tax filing documents as AGI
- legal entity, the comparable measure according to this handbook.

**B Definition of Average AGI for a Person or Legal Entity**

Average AGI for a person or legal entity means the average AGI, or comparable measure, of the individual or entity over the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested.

**Note:** Exclude any years that the person or legal entity did not have taxable income. In this context, the term “taxable income” includes having \$0 of taxable income on IRS Form 1040, line 43 because of tax exemptions and tax deductions. The term “taxable income” for average AGI purposes is used in determining whether or not the person or legal entity had any income upon which a tax filing was required; not whether there was a tax liability level of income.

**468 Average AGI Compliance Certification****A Required AGI Compliance Certifications for Payment Eligibility**

AGI compliance certifications (CCC-941) are required for payment eligibility for **all**:

- persons
- legal entities
- interest holders in a legal entity, including embedded entities to the fourth level of ownership interest, regardless of the level of interest held
- members of a general partnership or joint venture, regardless of the number of members
- Indians and Native Americans represented by BIA.

**Note:** A general partnership or joint venture is not considered to be a legal entity, such as a corporation, LLP, or LLC, for the application of the average AGI limitation provisions.

**468 Average AGI Compliance Certification (Continued)****B Average AGI Limitation Provision Exemptions**

The following are **exempt** from the average AGI limitation provision and are not required to file CCC-941:

- general partnership
- joint venture
- Federally owned
- State owned
- public schools
- Federally recognized Indian Tribes and tribally chartered entities, under Section 17 of the Indian Reorganization Act
- CRP-1's and other multi-year agreements approved and effective **before** October 1, 2008
- payments to vendors for technical services or assistance provided along with programs made applicable by statute or regulation
- payments to an escrow agent or other in similar capacity that is maintaining temporary custody with eventual disbursement to the eligible recipient.

**C Churches, Clubs, Fraternal Organizations, Societies, and Similar Associations**

Persons who attend a church or belong to a club, fraternal organization, association, or similar type of entity that is requesting payments or benefits:

- do **not** hold an ownership interest in the entity
- are **not** required to submit an AGI certification for the entity to meet AGI provision.

**Note:** The church, club, etc. is required to provide an AGI certification.



## 468 Average AGI Compliance Certification (Continued)

**D Certifying Compliance**

To comply with the AGI requirement for the applicable crop, program, or FY, a person or legal entity **must** provide either of the following:

- CCC-941 applicable to the year that program benefits are requested
- a statement from a CPA or attorney that the average AGI does **not** exceed the applicable limitation and agreement with all requirements of information disclosure. See subparagraphs F and H for the examples of acceptable statements.

**Note:** In all cases, CCC-941, items 1 through 4 and 6 through 8, **must** be completed and **signed by the person or legal entity subject to AGI compliance** for consent to \*--disclosure of tax information. Digital signatures and wet signatures that are scanned and/or FAXed or emailed are authorized.--\*

**E Statements From CPA or Attorney**

Statements certifying AGI compliance on behalf of a person or legal entity will only be accepted from licensed CPA's or attorneys and **must** include the following:

- CPA's or attorney's license number
- explanation for the reasons for the statement (subparagraphs F and H)
- acknowledgement of having reviewed and agrees to:
  - average AGI limitations, definitions, programs involved, and compliance requirements in 7 CFR Part 1400 regulations
  - CPA or attorney understands the tax years used to calculate the average AGI for applicable years
  - the representations made in the statement may be relied on by the Government to allow program benefits to be retained or received and that a false certification can result in sanctions including criminal sanctions for persons associated with the false representations
  - additional information may be requested by USDA, a review may be conducted by USDA, and further inquiry may be made to IRS to ensure that all information filed with USDA by all parties is true, correct, and completed
- relevant information on the most recently filed tax returns for the period in question

## 468 Average AGI Compliance Certification (Continued)

**E Statements From CPA or Attorney (Continued)**

- if applicable, a detailed explanation of how the applicable average AGI limitations were not exceeded even though the information on the tax returns indicates otherwise.

**Note:** The following enclosure that provides instructions, terms, conditions for CPA or Attorney Certification statements **must** be included with the notifications illustrated in subparagraphs F and H.

**AGI Enclosure 1****Instructions, Terms, and Conditions for CPA or Attorney Certification Statement**

Certification statements will only be accepted from licensed certified public accountants (CPA's) and attorneys. Statements from enrolled agents will **not** be accepted. If a statement is submitted by a CPA or an attorney to certify compliance with an average AGI limitation for which a person or legal entity received notification of possible noncompliance, the statement **must** include the following elements:

- 1) CPA's or attorney's State license identification number.
- 2) Explanation of the reason for the certification statement (see enclosed example).
- 3) Acknowledgement of having read and understood, and agreement to, the terms and conditions of this enclosure (AGI Enclosure 1), including the following:
  - The CPA/attorney acknowledges and agrees to having reviewed and being familiar with the average AGI limitations, definitions, and compliance requirements in 7 CFR Part 1400, with the programs involved, having made such inquiries as are necessary.
  - To apprise the CPA/attorney of such matters and understands that the tax years used to calculate the average AGI are the 3 taxable years preceding the most immediately preceding complete taxable year for which program benefits are requested.
  - The representations the CPA/attorney makes in the certification statement may be relied on by the government to allow benefits to be retained or received and that a false certification can result in sanctions including criminal sanctions for those persons associated with the false representations.
  - Additional information may be requested by USDA, a review may be conducted by USDA, and further inquiry may be made to IRS to ensure that all information filed with USDA by all parties is true, correct, and complete.
- 4) Relevant information on the most recently filed tax returns for the period in question.
- 5) If applicable, detailed explanations of how the applicable average AGI limitation(s) was not exceeded even though the information on the tax returns indicate otherwise.

## 468 Average AGI Compliance Certification (Continued)

**F Example of CPA or Attorney Statement for AGI Compliance**

The following is an example of CPA or attorney statement for AGI compliance certification and verification purposes.

<p><b>[insert name]</b>          [insert street and/or mailing address]          [insert city, State, ZIP Code]</p>
<p>[insert date]</p>
<p>[insert State Office name]          [insert State Office address]          [insert city, State, ZIP Code]</p>
<p>I, <b>[insert name]</b>, am [insert "a certified public accountant (CPA)" or "an attorney" as appropriate] practicing in [insert city, State]. My license identification number is [insert license number] in [State].</p>
<p>I have been asked by [insert name of producer] to certify that [insert name of producer] is in compliance with the average adjusted gross income (AGI) limitations for the following [insert the applicable program year(s) and limitations], pursuant to 7 U.S.C. 1308-3a.</p>
<p>I understand that an inquiry by USDA with the Internal Revenue Service (IRS) has indicated that income tax returns filed with the IRS by [insert name of producer] reported income that may exceed the applicable AGI limits. For purposes of this letter and my representations below, my "certification" is limited only to my knowledge of [insert name of producer] federal income tax returns based upon either my preparation of such returns or my readings of those returns that I did not prepare. The preparation or review of these returns was based upon the information provided by [insert name of producer]. [insert name of producer] has represented to me that the information supplied to me is, to the best of [his/her] knowledge, true, correct, and complete. In accordance with Treasury Department Circular No. 230, section 10.34 (d), I relied in good faith without verification upon the information provided by [insert name of producer]; however, I did not ignore the implications of information furnished to, or actually known by me, and I made reasonable inquiries if the information as furnished appeared to be incorrect, inconsistent with an important fact or another factual assumption, or was incomplete. This "certification" does not include any representations or assurances as to the accuracy or completeness of the information contained in [insert name of producer] federal income tax returns or imply that I have performed procedures beyond those required under Circular No. 230. In addition, this "certification" does not include any representations or assurances as to the accuracy or completeness of the information contained in [insert name of producer] federal income tax returns that I did not prepare.</p>
<p>I acknowledge that I have read, understand, and agree to, the terms and conditions of the enclosure (AGI enclosure 1) received by [insert name of producer] with the following conditions.</p>
<ul style="list-style-type: none"> <li>• I am relying on the information made known to me as noted above. I take no responsibility for information outside of the tax return preparation process, unless I relied upon outside information as noted in the end of this prepared statement or attachment for the purposes of explanation that [insert name of producer] complies with the applicable average AGI limitations.</li> <li>• I have not been engaged to continually monitor the tax law for this client or to continually monitor factors related to the client's AGI or other tax calculations for the relevant years. Therefore, I am not in a position to notify the government of changes to facts or circumstances (whether or not material) that would make this certification no longer accurate.</li> <li>• Under Internal Revenue Code Section 7216 and other confidentiality standards, I may only provide client information upon specific written authorization from the client to release such information, including tax return information, to a third party.</li> </ul>

468 Average AGI Compliance Certification (Continued)

F Example of CPA or Attorney Statement for AGI Compliance (Continued)

The following are correct statements:

- Based on a representation provided by *[insert name of producer]*, or the confirmations of *[his/her]* e-filed federal income tax returns *[insert the applicable tax return form number]*, the *[2010, 2011, and 2012 (if for 2014)]* federal income tax returns were timely filed.
- I am not aware of subsequently filed federal income tax returns, whether superseding or amended, other than those identified above related to the tax years identified above.
- I am not aware of any adjustments made by the Internal Revenue Service or any state taxing authority to the federal income tax returns identified above.
- I understand that, consistent with the definition in 7 CFR Part 1400, the average adjusted gross income means the adjusted gross income as defined under 26 U.S.C. 62, or comparable measure, of the person or legal entity over the 3 taxable years preceding the most immediately preceding complete taxable year.
- According to the most recent returns filed for the years identified above, *[insert name of producer]*:

**NOTE:** Use tax years 2010, 2011, and 2012 (if for 2014); or tax years 2011, 2012 and 2013 (if for 2015).

- reported average AGI was \$\_\_\_\_\_based on the following amounts from line 37:  
(List the amount entered on line 37 of the person’s IRS Form 1040 for each tax year.)

Total Adjusted Gross Income reported on Line 37 in 20\_\_ \_\_\_\_\_  
 Total Adjusted Gross Income reported on Line 37 in 20\_\_ \_\_\_\_\_  
 Total Adjusted Gross Income reported on Line 37 in 20\_\_ \_\_\_\_\_

*[Include the following, if applicable.]*

- Although the calculated average AGI indicated in this letter exceeds the applicable AGI limitation, I believe that *[insert name of producer]* complies with the average AGI limitation requirements for the reasons that are set forth in detail in the space below or the attached document. *[insert name of producer]* has represented to me that the attached information is, to the best of *[his/her]* knowledge, true, correct, and complete. I am not aware of any discrepancies and do not have any reason to believe otherwise.

I declare that the statements made herein, to the best of my knowledge and belief, are true, correct, and complete.

Signed  
*[insert name of CPA or attorney, as applicable], [insert title, “CPA” or “Attorney”, as applicable]*

Dated: *[insert date]*

## 468 Average AGI Compliance Certification (Continued)

**G Option Available for Spouses for Joint Tax Return Filers**

In addition to the Average AGI Compliance Certification requirements in subparagraph A, a person who filed joint tax returns may provide a certification statement from by a CPA or an attorney that includes **both** of the following:

- specifies the manner in which income would have been declared and reported had the persons filed 2 separate tax returns
- the total allocations of income are consistent with the information that supports the filed joint tax returns.

**H Example of CPA or Attorney Statement for AGI Compliance for Joint Tax Filers**

The following is an example of CPA or attorney statement for AGI compliance certification and verification purposes with the allocation of income between the filers of a joint tax return.

<p><b>[insert name]</b>          [insert street and/or mailing address]          [insert city, State, ZIP Code]</p>
<p>[insert date]</p>
<p>[insert State Office name]          [insert State Office address]          [insert city, State, ZIP Code]</p>
<p>I, <b>[insert name]</b>, am [insert “a certified public accountant (CPA)” or “an attorney” as appropriate] practicing in [insert city, State]. My license identification number is [insert license number] in [State].</p>
<p>I have been asked by [insert name of producer] to certify that [insert name of producer] is in compliance with the average adjusted gross income (AGI) limitations for the following [insert the applicable program year(s) and limitations], pursuant to 7 U.S.C. 1308- 3a.</p>
<p>I understand that an inquiry by USDA with the Internal Revenue Service (IRS) has indicated that income tax returns filed with the IRS by [insert name of producer] reported income that may exceed the applicable AGI limits. For purposes of this letter and my representations below, my “certification” is limited only to my knowledge of [insert name of producer] federal income tax returns based upon either my preparation of such returns or my readings of those returns that I did not prepare. The preparation or review of these returns was based upon the information provided by [insert name of producer]. [insert name of producer] has represented to me that the information supplied to me is, to the best of [his/her] knowledge, true, correct, and complete. In accordance with Treasury Department Circular No. 230, section 10.34 (d), I relied in good faith without verification upon the information provided by [insert name of producer]; however, I did not ignore the implications of information furnished to, or actually known by me, and I made reasonable inquiries if the information as furnished appeared to be incorrect, inconsistent with an important fact or another factual assumption, or was incomplete. This “certification” does not include any representations or assurances as to the accuracy or completeness of the information contained in [insert name of producer] federal income tax returns or imply that I have performed procedures beyond those required under Circular No. 230. In addition, this “certification” does not include any representations or assurances as to the accuracy or completeness of the information contained in [insert name of producer] federal income tax returns that I did not prepare.</p>

468 Average AGI Compliance Certification (Continued)

**H Example of CPA or Attorney Statement for AGI Compliance for Joint Tax Filers (Continued)**

I acknowledge that I have read, understand, and agree to, the terms and conditions of the enclosure (AGI enclosure 1) received by *[insert name of producer]* with the following conditions.

- I am relying on the information made known to me as noted above. I take no responsibility for information outside of the tax return preparation process, unless I relied upon outside information as noted in the end of this prepared statement or attachment for the purposes of explanation that *[insert name of producer]* complies with the applicable average AGI limitations.
- I have not been engaged to continually monitor the tax law for this client or to continually monitor factors related to the client’s AGI or other tax calculations for the relevant years. Therefore, I am not in a position to notify the government of changes to facts or circumstances (whether or not material) that would make this certification no longer accurate.
- Under Internal Revenue Code Section 7216 and other confidentiality standards, I may only provide client information upon specific written authorization from the client to release such information, including tax return information, to a third party.

The following are correct statements:

- Based on a representation provided by *Mr. and Mrs. Farmer**[insert name of producer]*, or the confirmations of *[their]* e-filed federal income tax returns *[insert the applicable tax return form number]*, the *[2010, 2011, and 2012 (if for 2014)]* federal income tax returns were timely filed.
- I am not aware of subsequently filed federal income tax returns, whether superseding or amended, other than those identified above related to the tax years identified above.
- I am not aware of any adjustments made by the Internal Revenue Service or any state taxing authority to the federal income tax returns identified above.
- I understand that, consistent with the definition in 7 CFR Part 1400, the average adjusted gross income means the adjusted gross income as defined under 26 U.S.C. 62, or comparable measure, of the person or legal entity over the 3 taxable years preceding the most immediately preceding complete taxable year.
- According to the most recent **joint** returns filed for the years identified above, *[insert name of producer] Mr. and Mrs. Farmer’s*:

**NOTE:** Use tax years 2010, 2011, and 2012 (if for 2014); or tax years 2011, 2012 and 2013 (if for 2015).

- reported average AGI was \$ \_\_\_\_\_ based on the following amounts from line 37:  
(List the amount entered on line 37 of the person’s IRS Form 1040 for each tax year.)

Total Adjusted Gross Income reported on Line 37 in 20\_\_ \_ \_\_\_\_\_  
 Total Adjusted Gross Income reported on Line 37 in 20\_\_ \_ \_\_\_\_\_  
 Total Adjusted Gross Income reported on Line 37 in 20\_\_ \_ \_\_\_\_\_

468 Average AGI Compliance Certification (Continued)

H Example of CPA or Attorney Statement for AGI Compliance for Joint Tax Filers (Continued)

- Although the calculated average AGI indicated in this letter exceeds the applicable AGI limitation, I believe that *Jane Farmer* [insert name of producer] complies with the average AGI limitation requirements for the reasons that are set forth in detail in the space below or the attached document. *Jane Farmer* [insert name of producer] has represented to me that the attached information is, to the best of [his/her] knowledge, true, correct, and complete. I am not aware of any discrepancies and do not have any reason to believe otherwise.

[Include the following, if applicable.]

- According to the most recent returns filed for the years identified above, *Jane Farmer's* [insert name of producer]:
  - Reported average AGI would have been \$\_\_\_\_\_ based on the following amounts had he/she and spouse filed separate tax returns for each of the applicable years:  
(List the dollar of individual's share of the total AGI from line 37 of tax returns.)

Individual's share of AGI reported on Line 37 in 20\_\_ \_\_\_\_\_  
 Individual's share of AGI reported on Line 37 in 20\_\_ \_\_\_\_\_  
 Individual's share of AGI reported on Line 37 in 20\_\_ \_\_\_\_\_

I declare that the statements made herein, to the best of my knowledge and belief, are true, correct, and complete.

Signed  
[insert name of CPA or attorney, as applicable], [insert title, "CPA" or "Attorney", as applicable]

Dated: [insert date]

**468 Average AGI Compliance Certification (Continued)****I Verifying AGI Certifications**

COC or reviewing authority **must rely on the IRS verification process or State Office Compliance Reviews to verify a participant's eligibility with average AGI provisions.**

**J Deadline for AGI Certifications and Consents to Disclose**

AGI certification and consent to disclose **must** be submitted:

- according to the deadlines established by the applicable programs
- **before** issuing any program benefit subject to AGI provisions.

**K Multi-County Producers**

Individuals or legal entities with multi-county farming interests will submit the required AGI certifications and consents to disclosure only in the recording county.

The recording county will do the following:

- accept a producer's certification of compliance of the AGI provisions
- review CCC-941 for acceptability
- set values in the eligibility file, according to 3-PL (Rev. 2)
- submit the consent CCC-941 to IRS for verification, according to paragraph 477
- if requested, share the information with other counties.



**469 Rules for Special Cases****A Acceptable Documentation**

For a person or legal entity, including a foreign person or legal entity that does **not** have tax records or is **not** required to file tax returns, acceptable forms of AGI documentation may include, but are **not** limited to, the following:

- CPA or Attorney Statement
- annual budgets and statement of operations
- annual public financial disclosures
- financial statements
- other documentation as deemed acceptable by the reviewing authority.

**B Multi-Year Contracts and Agreements**

For program contracts and agreements that extend more than 1 crop year, program year, or FY, the average AGI determination will:

- be based on the 3 taxable years preceding the most immediately preceding complete taxable year for which the contract or agreement is approved

**Note:** For a successor to an approved CRP-1, the 3-year period is based on the approval date of succession, **not** on the original approval date of CRP-1. See subparagraph 470 H. The approval date of succession is the effective date of change in interest in the CRP land according to 2-CRP.

- be made once and apply for the entire term of the contract or agreement.

**C Succession-in-Interest**

The average AGI limitations, according to this part, do **not** apply to multi-year contracts; such as CRP-1's that were effective **before** October 1, 2013. The average AGI provisions in this part were **not** part of the original contract or agreement when executed.

If succession occurs to a multi-year contract or agreement that was effective:

- **before** FY 2014, the successors **will not** be subject to AGI provisions in this part on the multi-year contract or agreement
- for FY 2015 or subsequent years, the successors **will** be subject to AGI provisions on the multi-year contract or agreement.

**Note:** See Exhibit 16 for the applicable payment eligibility/limitation rules and forms required for CRP.

**470 AGI Rules for CRP Contracts and Conservation Multi-Year Agreements****A Policy for CRP-1's Approved May 13, 2002, Through September 30, 2008**

Beginning May 13, 2002, an average AGI limitation became effective for certain programs including CRP.

This provision is effective beginning with the 2003 crop year. The average AGI limitation provides that an individual or entity must not be eligible to receive certain benefits during a crop year, if the average AGI of the individual or legal entity exceeds \$2.5 million and less than 75 percent of the average AGI of the individual or entity is derived from farming, ranching or forestry operations. See 1-PL for specific rules.

**B Policy for CRP-1's Approved Beginning October 1, 2008, Through September 30, 2013**

The average AGI limitation provides that a person or legal entity must be ineligible to receive certain benefits during a crop year if the average AGI of the person or legal entity exceeds \$1 million, unless at least 66.66 percent of the average AGI of the person or legal entity is average **farm** AGI. See 4-PL for specific rules.

**Note:** If a succession in interest occurs to CRP-1 approved beginning October 1, 2008, the successor must meet the AGI provisions in 4-PL.

**C AGI Certification**

All producers with a share greater than zero, including members of entities and joint operations must provide a certification of AGI according to 1-PL, 4-PL, 5-PL, or this handbook, as applicable. For CRP, certifications of AGI are binding for the life of CRP-1. CCC-526, CCC-926, CCC-931, CCC-933, or CCC-941, as applicable, must be filed and appropriate flags set in the subsidiary file according to 3-PL (Rev. 2) before CRP-1 is approved. AGI determinations for CRP are for the duration of the contract period. See subparagraph H for AGI requirements for CRP contract revisions.

**D Policy for CRP-1's Approved for CRP Signup 46**

No AGI limitation was in effect for CRP signup 46.

470 AGI Rules for CRP Contracts and Conservation Multi-Year Agreements (Continued)

**E Policy for CRP-1’s Approved Beginning October 1, 2014**

The average AGI limitation provides that a person or legal entity is ineligible for payments and benefits for 2015 and subsequent FY’s if the average AGI exceeds \$900,000.

**Note:** If a succession-in-interest occurs to CRP-1 approved on or after October 1, 2014, the successor must meet the AGI provisions in 5-PL and 6-PL.

**F Determining Which AGI Rule Applies to CRP-1 Contract**

The following provides guidance on which:

- payment limitation and rules apply to CRP contracts and conservation multi-year agreements
- AGI certification form must be filed at the time of contract approval.

<b>Original Contact Approved →</b>	<b>On or After May 13, 2002 and Before Oct. 1, 2008</b>	<b>On or After Oct. 1 2008</b>	<b>Oct. 1, 2013 Through Sept. 30, 2014 (FY 2014)</b>	<b>On or After Oct. 1, 2014</b>
AGI Rule and AGI Limitation Amount	1-PL \$2.5 mil	4-PL \$1 mil nonfarm	Not subject to AGI Provisions	5-PL \$900,000
Required Form	CCC-526 or CCC-526C	CCC-931 CCC-933 CCC-931C		CCC-941

**Note:** CCC-926 may have been used and was acceptable before CCC-931 was made available.

470 AGI Rules for CRP Contracts and Conservation Multi-Year Agreements (Continued)

**G AGI Requirements for Producers Associated With Original Contracts**

Beginning June 4, 2012, follow this table to determine the requirements for filing an AGI certification form for producers.

**Note:** See the table in subparagraph F to determine which AGI certification form should be filed.

If the producer is an entity or joint operation, all members with an ownership share are required to file the applicable AGI certification if the entity/joint operation is required to file the certification.

<b>IF the producer's share is...</b>	<b>AND the producer is...</b>	<b>THEN the AGI certification is...</b>
0 percent		not required.
greater than 0 percent	<ul style="list-style-type: none"> <li>• an individual</li> <li>• entity without members</li> </ul>	required for the producer.
	<ul style="list-style-type: none"> <li>• joint operation</li> <li>• entity with members</li> </ul>	required for: <ul style="list-style-type: none"> <li>• the producer, except for a joint operation</li> <li>• each member with an ownership share greater than 0 percent.</li> </ul>

470 AGI Rules for CRP Contracts and Conservation Multi-Year Agreements (Continued)

**H Contract Revisions**

This table provides guidance for the requirements for filing an AGI certification form for producers and members of entities and joint operations when a contract is revised for either of the following reasons:

- new producer is added to the CRP contract
- new members are added to an entity or joint operation that has an interest in the CRP contract.

**Note:** See the table in subparagraph F to determine which AGI certification form should be filed.

If the contract is revised because...	AND the new producer has...	AND the producer is...	THEN an AGI certification is...
a new producer was added to the contract	0 percent share a share greater than 0 percent	<ul style="list-style-type: none"> <li>• an individual</li> <li>• entity without members</li> </ul>	not required.  required for the year the change became effective for the producer.  <b>Example:</b> Producer A has CRP contract #2117 with an effective date of October 1, 2014. Producer A sells the land to Producer B on September 20, 2015. Producer B informs the County Office on January 10, 2016, that he purchased the land under CRP contract #2117. Producer B must file AGI forms for 2015 (the year the change became effective).
		<ul style="list-style-type: none"> <li>• joint operation</li> <li>• entity with members</li> </ul>	required as follows for the year the producer is added to the contract: <ul style="list-style-type: none"> <li>• the producer, except for a joint operation</li> <li>• each member with an ownership share greater than 0 percent.</li> </ul> See exception in subparagraph I.

470 AGI Rules for CRP Contracts and Conservation Multi-Year Agreements (Continued)

H Contract Revisions (Continued)

If the contract is revised because...	AND the new producer has...	AND the producer is...	THEN an AGI certification is...
an existing producer's share was increased from 0 percent		<ul style="list-style-type: none"> <li>an individual</li> <li>entity without members</li> </ul>	required for year the producer was originally added to the contract with a 0 percent share.
		<ul style="list-style-type: none"> <li>joint operation</li> <li>entity with members</li> </ul>	required as follows for the year the producer was originally added to the contract with a 0 percent share: <ul style="list-style-type: none"> <li>the producer, except for a joint operation</li> <li>each member with an ownership share greater than 0 percent.</li> </ul>
a new member is added to a joint operation or an entity with members			required for year the member was added to the operation with an ownership share greater than 0 percent.  See exception in subparagraph I.

I Exception to Year AGI Certification Must Be Filed

If a producer or member of an entity or joint operation was previously associated with the CRP contract, then the original AGI certification continues to apply for that producer or member if their role changes.

**Example:** John Farmer has 100 percent interest in a CRP contract approved in 2015.

Farmers LLC replaces John Farmer as a producer on the CRP contract in 2016. John Farmer is a member of Farmers LLC and has a 100 percent ownership interest in Farmers LLC.

Because John Farmer was already associated with the contract, the 2015 AGI certification continues to be applicable for John. However, an AGI certification **must** be filed for 2016 for Farmers LLC.

**Note:** The AGI certification must be for the AGI limitation applicable at the time of CRP contract approval.

## 470 AGI Rules for CRP Contracts and Conservation Multi-Year Agreements (Continued)

**J Examples of Applicable AGI Years for Succession to CRP Contracts**

In cases where there are questions on CRP contract provisions, contact the appropriate program division. For AGI questions, contact the Safety Net Division. In all cases, review 2-CRP. The following are examples of applicable AGI years for succession to CRP contracts:

- **CRP Rule for Original Contract Holders.** For effective date of contract, see 2-CRP. Skip the previous year of the initial contract year and use the 3 years before the initial year of the contract, as follows.
  - Original contract holder's contract was approved by COC on June 1, 2011. Contract is effective October 1, **2011**. First payment is October 2012. 2007, 2008, and 2009 are used for **2011** AGI.
  - Original contract holder's contract was approved by COC on June 1, 2011. Contract is effective October 1, **2012**. First payment is October 2013. 2007, 2008, and 2009 are used for **2011** AGI.

**Note:** The AGI certification must be for the AGI limitation applicable at the time of CRP contract approval.

- **CRP Rule for Successors.** Start with the date that caused the succession (date the land was purchased; date of inheritance), skip the previous year and use the 3 years before that.
  - Successor purchased land June 1, 2012. County Office is notified August 1, 2012. COC approved successor on October 1, 2012. Effective date of succession is determined according to 2-CRP as June 1, 2012. 2008, 2009, and 2010 are used for **2012** AGI.
  - Successor inherited land June 1, 2012. County Office is notified January 12, 2013. COC approved successor on January 19, 2013. Effective date of succession is determined according to 2-CRP as June 1, 2012. 2008, 2009, and 2010 are used for **2012** AGI.

**471 AGI Waiver for Conservation Programs (7 CFR 1400.500)****A AGI Waiver**

The Administrator or NRCS Chief may waive the limitation under this section on a case-by-case basis for the protection of environmentally sensitive land of special significance. A waiver request must:

- be in writing
- show that use of conservation program funding on or adjacent to environmentally sensitive land of special significance is critical to the success of a project that provides conservation benefits to multiple producers or landowners in a community, watershed, or other geographic area
- demonstrate that the proposed action achieves enduring protection of environmentally sensitive land of special significance through use of a long-term agreement that is greater than 15 years in duration or through use of a deed restriction on the land
- present evidence that otherwise demonstrates, as determined by the Administrator or NRCS Chief, that the waiver is necessary to address the critical natural resources referenced in the definition of “environmentally sensitive land of special significance”.

**Note:** A waiver does not mean the applicant does not need to file CCC-941.



472 Determining AGI and Average AGI

A Determining Total AGI (Farm and Nonfarm)

Determine AGI according to the following table.

IF certification is by...	THEN AGI is the...
a person filing a separate tax return	amount reported as AGI on the final IRS tax return for the person for the applicable year.
a person filing a joint tax return	full amount reported as AGI on the final IRS tax return for the applicable year.  <b>Exception:</b> A certification is provided by CPA or an attorney that specifies what the amounts would have been if separate tax returns would have been filed for the applicable year.
an LLC, LLP, LP, or similar type of organization	income from trade or business activities <b>plus</b> the amount of guaranteed payments to the members as reported on the final IRS tax returns for the applicable year.
an estate or trust	adjusted total income <b>plus</b> charitable deductions as reported on the final IRS tax return for the applicable year.
a corporation, including subchapter S corporation	total taxable income <b>plus</b> the amount of charitable contributions as reported on the final IRS tax return for the applicable year.
a tax-exempt or non-profit organization	unrelated business taxable income as reported to IRS <b>less</b> any income that CCC determines to be from noncommercial sources.

## 472 Determining AGI and Average AGI (Continued)

**B Using IRS Data for AGI Determinations**

This table provides guidance on AGI determinations using data reported to IRS.

<b>IF determining AGI for...</b>	<b>THEN see IRS Form...</b>	<b>AND use the amount entered on...</b>
corporations	1120	either of the following: <ul style="list-style-type: none"> <li>line 30 (total taxable income) <b>plus</b> line 19 (charitable contributions)</li> <li><b>for S corporations, use only</b> IRS Form 1120S, line 21 (ordinary business income).</li> </ul>
estates or trusts	1041	line 22 (taxable income) <b>plus</b> line 13 (charitable deductions).  <b>Note:</b> Beginning in 2018, line 23 (taxable income) plus line 13 (charitable deductions).
LLC's, LLP's, LP's, or other similar type organization	1065	line 22 (total income from trade or business) <b>plus</b> line 10 (guaranteed payments to partners).
persons	1040	line 37 (AGI).  <b>Note:</b> Beginning in 2018, line 7 (AGI).
tax-exempt or charitable organizations	990-T	line 34 (unrelated business taxable income) <b>minus</b> income that CCC determined to be from noncommercial activity.  <b>Note:</b> <b>Beginning in 2018, line 38 (unrelated business taxable income) minus income that CCC determined to be from noncommercial activity.</b>

**Note:** See **Exhibit 17** for examples and illustrations of various tax forms and line items commonly used in the determination AGI for persons and legal entities. Variations of the referenced IRS tax forms, or comparable forms, may apply in which the line items for the appropriate income amounts will be different.

472 Determining AGI and Average AGI (Continued)

**C Applicable Years for Determining Average AGI**

Use this table for applicable years to be used for determining average AGI.

<b>IF crop year is...</b>	<b>THEN Average AGI will be based on the following years...</b>
2011	2007, 2008, and 2009.
2012	2008, 2009, and 2010.
2013	2009, 2010, and 2011.
2014	2010, 2011, and 2012.
2015	2011, 2012, and 2013.
2016	2012, 2013, and 2014.
2017	2013, 2014, and 2015.
2018	2014, 2015, and 2016.
2019	2015, 2016, and 2017.
2020	2016, 2017, and 2018.
2021	2017, 2018, and 2019.
2022	2018, 2019, and 2020.
2023	2019, 2020, and 2021.

**D Determining Average AGI**

Determine the average AGI according to the following table.

<b>IF determination is for a...</b>	<b>THEN average AGI is the average...</b>
<ul style="list-style-type: none"> <li>• person</li> <li>• legal entity in business for <b>all</b> of the applicable 3-year period</li> </ul>	of AGI, including losses, for the 3 taxable years preceding the most immediately preceding complete taxable year.  <b>Note:</b> This includes legal entities <b>not</b> required to file an IRS tax return or legal entities that did <b>not</b> have taxable income in 1 or more years of the applicable 3-year period.
legal entity <b>not</b> in business for all of the applicable 3-year period	AGI, including losses for only the years in the base period that the new legal entity was in business.

**E AGI Compliance Worksheet**

\*--For AGI compliance determinations, use worksheet in paragraph 486.--\*

## 472 Determining AGI and Average AGI (Continued)

**F Rule for New Entity**

A new legal entity must **not** be considered new to the extent that it takes over an existing operation and has any elements of common ownership or interests with the preceding legal \*--entity, or persons and legal entities, with an interest in the old legal entity. Commonality exists when the new entity is operating some, or all, of the land operated by the prior entity or individual(s) and there is any element of common ownership.--\*

**The income of the old legal entity will be averaged with the income of the new legal entity for the base period if any of the elements of commonality are present.**

**Example for 2014:** Twin Falls Corporation is comprised of Joe Plummer (50 percent) and John Plummer (50 percent).

The average AGI from the 3 complete taxable years 2010, 2011, and 2012 for Twin Falls Corporation was \$900,000. Twin Falls Corporation had \$1 million AGI in 2013.

Twin Falls Corporation met the average \$900,000 AGI limitation, and; therefore, was determined eligible for 2014 PLC program benefits.

**Example for 2015:** Plummer LLC is comprised of Joe Plummer (5 percent), John Plummer (5 percent), and Twin Falls Corporation (90 percent).

Plummer LLC takes over the farming operation previously represented as Twin Falls Corporation.

The average AGI for Plummer LLC for 2015 payment eligibility purposes will be \$ the average AGI of Twin Falls Corporation for the years 2011, 2012, and 2013. Twin Falls Corporation had \$1 million AGI in 2013; \$900,000 AGI in each of the tax years 2011 and 2012. The average AGI for Plummer LLC for 2015 payment eligibility is \$933,330 (average of \$1 million, \$900,000, and \$900,000). Plummer LLC does not comply with the \$900,000 AGI limitation and therefore, is not eligible for 2015 PLC program benefits.

## 472 Determining AGI and Average AGI (Continued)

**G Section 179 Depreciation Expense**

Section 179 depreciation expense is an elected expense that may reduce AGI, if it is not elected on the applicable tax return, then it may be considered the AGI of the following:

- individual
- partnership
- corporation
- Subchapter S corporation
- LLC.

**Note:** An estate or trust **cannot** make this election.

See **Exhibit 18** for additional information, examples, and illustrations of the location of section 179 depreciation amounts, if calculated and elected, on the appropriate IRS tax forms.

## 473 Average AGI Compliance Reviews

### A Selecting Cases

Reviews for compliance with average AGI provisions may be:

- initiated by a COC through a STC representative
- STC representative
- selected on a nationwide basis by DAFP.

### B Verifying Compliance

Information necessary to verify compliance with the average AGI provisions includes, but is not limited to, the following:

- balance sheets
- financial statements
- information prepared for a private lender
- Federal and State income tax returns
- reports prepared for other Government agencies
- other credible information of income for the qualification period
- statement prepared by CPA or an attorney on behalf of the individual or legal entity that verifies compliance of the individual or legal entity with average AGI provisions for the applicable qualification period.

**Note:** Federal and State income tax information may be requested by the reviewing authority if that is the only means to establish compliance with the average AGI provisions.

The reviewing authority must safeguard the confidentiality of the information provided.

**Note:** Ensure that information provided by program participants to verify compliance with average AGI provisions is **not** released to others or in response to requests under FOIA.

## 473 Average AGI Compliance Reviews (Continued)

**C Notification**

Program participants selected for review must be notified in writing of the following:

- nature and reason for the review
- suggested sources and types of information most descriptive and illustrative
- established deadline to provide the information to the reviewing authority
- identity of the reviewing authority
- mailing address of the reviewing authority
- consequences of the failure to timely provide the requesting information.

**D Failure to Provide Information**

Failure to provide correct and accurate information, in the time prescribed in the notification letter, to establish compliance with the average AGI provisions will result in any or all of the following:

- ineligibility for all program payments and benefits subject to the average AGI requirements for the applicable years
- required refund of these program payments and program benefits
- possible prosecution under civil or criminal statutes
- record the SED determination as “Not Compliant-Review” in subsidiary, according to 3-PL (Rev. 2)

**E Written Notice of Ineligibility**

If requested information is **not** timely provided to the reviewing authority:

- notify the program participant of their ineligibility for payments and benefits from the applicable programs

**Note:** See example notification letters in paragraph 488.

- include appeal rights according to 1-APP.

**\*--473.5 CPA/Attorney Average AGI Certification Statement Compliance Reviews****A Selecting Cases**

Compliance reviews for producers submitting CPA or attorney certification statement to satisfy average AGI provisions may be:

- initiated by COC through the STO specialist;
- initiated by STC representative; or
- selected on a nationwide basis by DAFP.

**B Verifying Compliance**

STO specialist with responsibility for Payment Eligibility must verify that CPA and attorney certification statements accurately reflect selected producer's AGI as reported on income tax returns and supporting documentation or other equivalent documents.

Federal income tax returns must be compared to CPA and attorney certification statements unless the selected producer did not file Federal income tax returns during the applicable three-year period.

If income tax returns were not filed, other credible information for the qualification period may be used.

The STO specialist must safeguard the confidentiality of the information provided.

**Note:** Ensure that information provided by program participants to verify compliance with average AGI provisions is **not** released to others or in response to requests under FOIA.

**C Notification**

Program participants selected for review must be notified in writing of the following:

- nature and reason for the review
- information requested
- established deadline to provide information to the reviewing authority
- identity of the reviewing authority
- mailing address of the reviewing authority
- other methods of document submission if applicable, such as email, fax, etc.
- consequences of the failure to timely provide the requested information.--\*



**\*--473.5 CPA/Attorney Average AGI Certification Statement Compliance Reviews (continued)****D Failure to Provide Information**

Failure to provide correct and accurate information, in the time prescribed in the notification letter, to verify compliance with the average AGI provisions will result in the following:

- ineligibility for all program payments and benefits subject to the average AGI requirements for the applicable years
- required refund of these program payments and program benefits
- possible prosecution under civil or criminal statutes
- recording of the SED determination as “Not Compliant-Review” in subsidiary, according to 3-PL (Rev. 2).

**E Written Notice of Ineligibility**

If requested information is **not** timely provided to the reviewing authority:

- notify the program participant of their ineligibility for payments and benefits from the applicable programs

**Note:** See example notification letters in paragraph 488.

- include appeal rights according to 1-APP.--\*



## 473.6 CSCRT System

### A CSCRT Definition and Design

CSCRT System means a web-based system:

- in which National and State users can record all findings, recommendations, and conclusions from CSCR reviews completed on selected farming operations for 2019 and subsequent years
- that provides reporting and summarization capabilities for CSCR reviews and related information recorded for the farming operations reviewed.

CSCRT System was designed for the following:

- recording and tracking, by participant/farming operation and program year, all CSCR review findings, results, and determinations
- as a data source for status reports on the completion and results of CSCR's.

### B Responsibilities

DAFP and STC or COC selections and compliance review results will be tracked in the Certification Statement Compliance Review Tracking (CSCRT) System on the Payment Limitation EYR SharePoint at [https://usdagcc.sharepoint.com/sites/fsa-dafp-disaster/PL\\_EYR/SitePages/Home.aspx](https://usdagcc.sharepoint.com/sites/fsa-dafp-disaster/PL_EYR/SitePages/Home.aspx).

The National Program Manager is responsible for entering the DAFP selections.

State Office Specialists with payment eligibility responsibility must enter COC and STC selections in the CSCRT System.

### C Submission Date

The National Program Manager must annually establish the date by which reviews must be completed and results of the review loaded in the CSCRT System. This date will be announced in correspondence to each State Office when the DAFP selections are announced.

**474 Commensurate Reductions****A Commensurate Payment Reductions**

[7 CFR 1400.503] Any payment and benefit earned by a legal entity or joint operation must be reduced by an amount that is commensurate with the direct and indirect interest of any member or shareholder who either:

- is determined to have an average AGI in excess of the limitations
- fails to timely submit a certification statement.

Ownership interest in a legal entity must be reviewed to the fourth level, if applicable, to determine applicable commensurate share reductions.

**Note:** If the fourth level ownership interest is **not** held by a **person**, that share is **not** eligible for payment or benefits.

**B Applying Commensurate Payment Reductions**

Commensurate payment and benefit reductions apply to:

- the crop year, program year, or FY
- all program payments and benefits to which average AGI applies.

**475 Average AGI and NRCS Programs****A Data-Sharing With NRCS**

NRCS:

- administers some programs that are subject to average AGI limitation requirements
- has program coordination and delivery responsibilities.

FSA has the responsibility for determining average AGI compliance for applicable persons and legal entities.

Upon request from NRCS, FSA will supply average AGI compliance data for the persons and legal entities specified in the request.

If FSA has records on file for the person or legal entity, FSA will provide NRCS read access to the subsidiary eligibility data through Web service.

**B AGI Certification Statements Not on File**

If an AGI certification statement is **not** on file for a participant in an NRCS-administered program:

- NRCS will request the AGI certification from the person or legal entity
- FSA will make the corresponding average AGI compliance determination
- provide the same information to NRCS as specified in subparagraph A.

**C FSA and NRCS Administrative Responsibilities**

**When made available**, see Exhibit 19 for the Memorandum of Agreement between NRCS, FSA, and CCC for implementing common provisions, including payment eligibility and payment limitation provisions, through September 30, 2023.

**476 Verifying Average AGI Certifications****A Required Verification of Average AGI**

The review and verification of average AGI compliance certifications submitted by persons or legal entities is required to:

- ensure the accuracy of payments
- maintain the integrity of programs subject to average AGI limitations
- prevent issuing program payments to persons and legal entities that are not in compliance with the average AGI limitations.

**B Data Exchanged Between FSA and IRS**

FSA and IRS have finalized a data-sharing process for average AGI compliance and verification. IRS will report the results of this process to FSA on a regular basis. FSA will use this information to determine the following:

- whether a program participant complies with the average AGI limitations
- if further review is required.

**C State and County Office Duties and Responsibilities**

State and County Office duties and responsibilities include the following:

- publicize average AGI limitation provisions
- provide persons or legal entities copies of CCC-941
- make available the fact sheets on the average AGI provisions and the AGI verification process
- emphasize the importance that all program participant persons or legal entities timely complete and submit CCC-941.

**\*--D Steps for Timely AGI Validation**

Producers who file CCC-941 are AGI eligible for 180 days from the producer certification date. County Offices will ensure that an IRS determination or State Office/SED determination is received within 180 days of the producer filing a completed CCC-941.--\*

476 Verifying Average AGI Certifications (Continued)

D Steps for Timely AGI Validation

County Offices are responsible for performing the following steps when a producer files CCC-941 to ensure a timely AGI determination.

Step	Action
1	Ensure that the customer name and tax ID are legible and match how the customer files taxes.
2	<p>Ensure that the customer name and tax ID in Business Partner match CCC-941.</p> <p><b>Reminder:</b> The TIN verification process through MIDAS/Business Partner is separate from the AGI compliance verification process.</p> <p>Generate reports from Business Partner to identify customers where the IRS Tax ID verification response returned an error. Business Partner also identifies whether the customer record is the “paying entity” (DPE Flag). Use Business Partner to assist in determining what actions should be taken to resolve records of AGI mismatches or failed verifications.</p>
3	Ensure that the AGI 2014 and 2018 Farm Bills producer certification in Subsidiary is updated as described in 3-PL prior to mailing CCC-941 to IRS.
4	Ensure that the AGI 2014 and 2018 Farm Bills producer certification date is entered accurately in Subsidiary with the date the producer filed CCC-941.
*--5	Ensure that the County Office name and address entered in box 1 of CCC-941 is correct, the county name matches the county entered on the FAX cover, and the FAX number in box 1 of CCC-941 matches the FAX cover and the FAX number used to submit the batch to IRS.--*
6	<p>Send CCC-941 and IRS-3210 to IRS according to paragraph 476.5.</p> <p><b>Note:</b> Beginning in Subsidiary year 2020, if the system automatically determines the customer as “Compliant – FSA Determined”, County Offices are not required to send CCC-941 to IRS unless the customer is applying for an FSA or NRCS multi-year Conservation Program.</p>

476 Verifying Average AGI Certifications (Continued)

D Steps for Timely AGI Validation (Continued)

Step	Action																												
7	<p>Review the “Common Producer Eligibility” report in Enterprise Data Warehouse (EDW) weekly to determine if a producer has filed CCC-941 and has not received an IRS determination or State Office/SED determination for all years applicable to the AGI 2014 and 2018 Farm Bills.</p> <p>Select the following filters on the Common Producer Eligibility Report to determine if a producer has not received a determination:</p> <p>Program Year = empty/select value or select the specific year                      AGI 2014/2018 Farm Bill Producer Certification = “Filed CCC-941”                      AGI 2014/2018 IRS Verification/Determination = “Not Processed”                      AGI 2014/2018 State Office/SED Determination = “No Determination”.</p> <p>Click “Apply” to generate the report. An option is available to “Export” the report to a CSV file. See 12-CM for additional information regarding EDW.</p> <div data-bbox="410 909 1459 1583" style="border: 1px solid black; padding: 5px;"> <table border="1"> <tr> <td>Program Year</td> <td>--Select Value--</td> </tr> <tr> <td>State</td> <td>Missouri</td> </tr> <tr> <td>County</td> <td>Jackson</td> </tr> <tr> <td>Recording State</td> <td>(All Column Values)</td> </tr> <tr> <td>Recording County</td> <td>(All Column Values)</td> </tr> <tr> <td>Actively Engaged Determination</td> <td>(All Column Values)</td> </tr> <tr> <td>Actively Engaged - 2002 Farm Bill</td> <td>(All Column Values)</td> </tr> <tr> <td>AD -1026</td> <td>(All Column Values)</td> </tr> <tr> <td>Referred to NRCS</td> <td>(All Column Values)</td> </tr> <tr> <td>First Time Producer Filing AD-1026</td> <td>(All Column Values)</td> </tr> <tr> <td>AGI 2014/2018 Farm Bill Producer Certification</td> <td>Filed CCC-941</td> </tr> <tr> <td>AGI 2014/2018 IRS Verification/Determination</td> <td>Not Processed</td> </tr> <tr> <td>AGI 2014/2018 State Office /SED Determination</td> <td>No Determination</td> </tr> <tr> <td>AGI 2008 Farm Bill - Commodity</td> <td>(All Column Values)</td> </tr> </table> </div> <p><b>Note:</b> The “County Eligibility Report” is also available in the Subsidiary system as described in 3-PL. However, utilizing the EDW report will provide additional information for producers regarding the date AGI 2014/2018 Farm Bill documentation was filed.</p>	Program Year	--Select Value--	State	Missouri	County	Jackson	Recording State	(All Column Values)	Recording County	(All Column Values)	Actively Engaged Determination	(All Column Values)	Actively Engaged - 2002 Farm Bill	(All Column Values)	AD -1026	(All Column Values)	Referred to NRCS	(All Column Values)	First Time Producer Filing AD-1026	(All Column Values)	AGI 2014/2018 Farm Bill Producer Certification	Filed CCC-941	AGI 2014/2018 IRS Verification/Determination	Not Processed	AGI 2014/2018 State Office /SED Determination	No Determination	AGI 2008 Farm Bill - Commodity	(All Column Values)
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AGI 2014/2018 State Office /SED Determination	No Determination																												
AGI 2008 Farm Bill - Commodity	(All Column Values)																												



476 Verifying Average AGI Certifications (Continued)

D Steps for Timely AGI Validation (Continued)

Step	Action
8	<p>Review the “IRS Mismatch Report” available under the “Subsidiary Reports” tab weekly to determine if IRS has sent data back to the Subsidiary System and the IRS Response Code was not validated in Business Partner with “TIN and Name Match” or “Manually Validated”, or the producer’s name and/or Tax ID did <b>not</b> match the information received from IRS.</p> <p><b>Reminder:</b> County Offices must also review the IRS mismatch report for producers without a State/county. If the tax ID in Business Partner was incorrect then the mismatch report cannot find a State/county with which to tie the mismatch.</p>
9	<p>If the producer is on the IRS Mismatch Report, State Office must update the State Office/SED determination to “Mismatch Verified” if the producer is compliant or compliant producer on the report.</p>
10	<p>If the above steps have been completed and the producer does <b>not</b> receive an IRS determination and is <b>not</b> on the IRS mismatch report 30 calendar days from the date CCC-941 was sent to IRS, resend CCC-941 with a new IRS-3210 to IRS.</p> <p>County Offices will make 3 attempts to submit CCC-941 and IRS-3210 to IRS to receive a determination.</p>
11	<p>When a producer’s CCC-941 will not successfully pass IRS verification <b>and</b> the producer is not on the IRS mismatch report after 3 attempts to submit CCC-941 to the IRS, the <b>State Office shall complete and document all of the following:</b></p> <ul style="list-style-type: none"> <li>• obtain documentation from the County Office that at least 3 attempts were made to send the producer’s AGI certification to IRS</li> <li>• obtain verification from County Office or other State Office personnel that all actions in Steps 1 through 9 have been completed</li> <li>• upload required information to IRS Missing Determinations on the Payment Limitation EYR SharePoint at <a href="https://usdagcc.sharepoint.com/sites/fsa-dafp-disaster/PL_EYR/SitePages/Home.aspx">https://usdagcc.sharepoint.com/sites/fsa-dafp-disaster/PL_EYR/SitePages/Home.aspx</a>.</li> </ul>

**\*--476.5 AGI Validation Fax2Mail Process**

**A Submitting CCC-941 to IRS**

CCC-941 is submitted electronically to IRS using Fax2Mail. The following table summarizes the IRS Fax2Mail process.

Step	Action
1	County Office scans a completed IRS FAX cover page, IRS-3210, and CCC-941 and saves the documents into a PDF file to the County Office shared drive according to subparagraph B.
2	County Office submits the saved PDF file to IRS using USDA’s Fax2Mail service.
3	IRS returns a USDA Acknowledgement Log to the County Office using Fax2Mail within 5 workdays.
4	Within 30 workdays, IRS will do either of the following: <ul style="list-style-type: none"> <li>• return IRS Letter 6432 and CCC-941 by Fax2Mail to the County Office when CCC-941 is deemed unacceptable</li> <li>• transmit the IRS determination of eligibility to the Kansas City office for use in updating the customer’s Subsidiary record.</li> </ul>

**B Creating IRS Folder on Shared Drive**

County Office users will create an IRS folder on the County Office’s shared drive to save the following:

- IRS-3210’s and CCC-941’s sent to IRS
- USDA Acknowledgement Log from IRS confirming transmission receipt.

**C IRS Fax2Mail County Office Requirements**

County Offices must:

- review the PDF file to ensure that pages are legible and oriented with the top of the page facing up
- attach the saved PDF file to the email and send to IRS using Fax2Mail
- limit the PDF file size to no more than **25 pages**, including the IRS FAX cover page and IRS-3210

**Note:** Only the first page of CCC-941 is required to be scanned and sent to IRS--\*

**\*--476.5 AGI Validation Fax2Mail Process (continued)****C IRS Fax2Mail County Office Requirements (continued)**

- send producer CCC-941's to IRS as soon as a complete batch is available

**Note:** Monitor signature dates and submit smaller batches as necessary to ensure timely IRS receipt and compliance with the IRS 120-calendar-day signature requirement.

- ensure that:
  - IRS FAX cover page is updated with the program year according to subparagraph D;
  - IRS-3210 is annotated with the program year according to subparagraph E;
  - attached CCC-941's are from the same program year indicated on IRS-3210;
  - submissions are sent to the IRS FAX number at **844-253-9759**;
  - Fax2Mail was successfully transmitted to IRS; and
  - failed or incomplete transmissions are resubmitted.

**Note:** The Service Center FAX number must be included on IRS-3210 and CCC-941 for IRS to return confirmation receipts and rejections.

**D IRS FAX Cover Page**

County Offices must use the IRS FAX cover page for submissions to IRS. The IRS FAX cover page must be updated to reflect the program year of the attached CCC-941's by updating the "YEAR" field on the upper right-hand side of the cover page.

**Note:** Beginning June 1, 2022, IRS will no longer accept prior versions of the IRS FAX cover page.--\*

\*--476.5 AGI Validation Fax2Mail Process(continued)

D IRS FAX Cover Page (continued)

The following is an example of the IRS FAX cover page.

<b>United States Department of Agriculture Farm Service Agency</b>		
<b>Service Center Name:</b>	<b>Date:</b>	<b>YEAR: 2022</b>
<b>County Executive Director:</b>	<b>Service Center Phone Number:</b>	
<b>Contact Email:</b>	<b>Service Center Fax Number:</b>	
<b>Number of Forms CCC-941:</b>	<b>Batch ID:</b>	
<b>State:</b>	<b>County:</b>	
<p>Please ensure the Service Center Fax Number field above is accurate before sending a batch of work to the Internal Revenue Service (IRS). The IRS will use this fax number to send receipt confirmation and notices of rejection for this batch to the USDA.</p> <p>Fax forms CCC-941 in batches of 25 forms or less to <b>(844) 253-9759</b>. Please include a completed Form 3210 listing the enclosed forms. This fax number is only to be used for the USDA Average Adjusted Gross Income Verification program with the IRS.</p>		
04/27/2022		

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\*--476.5 AGI Validation Fax2Mail Process (continued)

**F IRS Confirmation Receipt**

IRS will use Fax2Mail to confirm receipt of IRS-3210 and CCC-941 on a USDA Acknowledgement Log.

**Notes:** County Offices will save the USDA Acknowledgement Log to the folder described in subparagraph F.

County Offices can expect IRS acknowledgement of receipt on the USDA Acknowledgement Log within 5 workdays from the date IRS-3210 was sent to IRS.

**G USDA Acknowledgement Log**

The following is an example of the USDA Acknowledgement log.

USDA Acknowledgement Log								
Rec'd Date: 11/16/20 Batch# 001			Kansas City Service Center USDA - FSA Program					
			County: Any Fax #: (XXX) XXX-XXXX					
Date	USDA Batch #			County	State	Name Control	Volume	Comments
	Rec	Grp	Batch					
11/18	1116	-1	001	Any County	Any State	1 <sup>st</sup> four characters of Name	3	

Please reference USDA Batch# when contacting RAIVS. If there is an indication of missing items, you must fax the missing items to the main USDA fax number with a new fax cover sheet and Form 3210. Please do not refax the entire batch.

**Key:**

- **Rec'd date** is the date the 3210 and 941's were faxed to; and received by the IRS.
- **Batch #** is the faxed submission (package) that includes the 3210 and 941's.
- **County / Fax #** is the county and fax number that IRS is faxing the USDA Acknowledgement log to.
- **Date** is the date of the IRS confirmed receipt of the USDA submission.
- **USDA Batch # (Rec - GRP - Batch)** is IRS' tracking method.
- **County / State** - County and State that submitted the 3210 and 941's.
- **Name Control** - first 4 characters of the name on the first line of the 3210.
- **Volume** - is the number of 941's submitted in the batch.
- **Comments** - is any comments that IRS may have regarding the batch.

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**\*--476.5 AGI Validation Fax2Mail Process (continued)**

**H Resubmitting CCC-941 to IRS**

If an IRS determination is not received within 30 calendar days from the date CCC-941 was sent to IRS, resubmit CCC-941 with a new IRS-3210 according to subparagraph C.

**Note:** Verify that the customer is not listed on the IRS Mismatch Report described in 3-PL (Rev. 2), paragraph 306, before resubmitting CCC-941.--\*





**477 Disclosing Information****A Written Consent for IRS to Disclose Information**

The average AGI verification process begins with FSA's referral of the person's or legal entity's AGI certification and written consent to IRS to:

- use tax information on file
- disclose certain tax-related information to CCC/FSA for AGI compliance verification purposes.

**B Consent From an Individual**

CCC-941 is to be used by an individual with a Social Security number that is either of the following:

- a program participant
- a member of a legal entity that is a program participant.

**C Consent From a Legal Entity**

CCC-941 is to be used by a legal entity with EIN that is either of the following:

- a program participant
- a member of another legal entity that is a program participant.

**Note: CCC-941 must be submitted under the same name and TIN as used for tax filing purposes.**

**Example:** A revocable trust or LLC identified by the grantor's or stockholder's Social Security number must submit CCC-941 for an individual with the grantor's or stockholder's name. The name of the revocable trust or LLC must **not** be included on CCC-941. The AGI compliance values in the revocable trust's or LLC's Producer Eligibility file must be updated according to the grantor's or stockholder's certification on **CCC-941** as verified by IRS.

477 **Disclosing Information (Continued)**

**D Time Period of Consent for Disclosure**

Selection of the 2011 or subsequent program year applies to persons or legal entities:

- in programs subject to compliance with the \$900,000 average AGI limitation for the 2011 or subsequent year
- who filed CCC-941 with an acceptable statement from CPA or attorney for the appropriate years' average AGI compliance and information disclosure.

**Note:** Persons or legal entities are to indicate only the year for which program payments are requested.

**E Validity of Written Consent**

Consent for the disclosure of tax information is valid only if received by IRS within 120 calendar days of the signature date affixed on CCC-941.

**F Privacy and Confidentiality Safeguards**

Follow the actions described in the following table to safeguard the privacy and confidentiality of the information provided by the program participants.

<b>IF the person or legal entity is required to...</b>	<b>THEN FSA personnel are required to...</b>
complete CCC-941, as: <ul style="list-style-type: none"> <li>• an individual</li> <li>• a legal entity</li> <li>• a member of a legal entity or joint operation</li> </ul>	<ul style="list-style-type: none"> <li>• accept all CCC-941's for program participants</li> <li>• review CCC-941's for:                             <ul style="list-style-type: none"> <li>• complete name</li> <li>• correct address</li> <li>• TIN</li> <li>• year selection</li> <li>• signature and related authorities</li> <li>• signature date.</li> </ul> </li> </ul>

477 Disclosing Information (Continued)

F Privacy and Confidentiality Safeguards (Continued)

IF the person or legal entity is required to...	THEN FSA personnel are required to...
<p>provide or mail completed CCC-941's <b>directly</b> to the FSA County Office or Service Center at the address specified on CCC-941</p>	<p>for CCC-941's accepted from participants and determined:</p> <ul style="list-style-type: none"> <li>• <b>incorrect or incomplete:</b> <ul style="list-style-type: none"> <li>• return CCC-941 to the participants</li> <li>• assist the participants to correctly complete CCC-941</li> </ul> </li> <li>• <b>correct:</b> <ul style="list-style-type: none"> <li>• date stamp with current receive date</li> <li>• when required to submit CCC-941 to IRS according to paragraph 479:                             <ul style="list-style-type: none"> <li>• make and retain a copy of CCC-941's for producer eligibility files</li> <li>• collect and bundle in groups of 100 or less all CCC-941's accepted as correct</li> <li>• complete and include 2 copies of IRS Form 3210</li> <li>• send bundles by USPS on a regular basis to IRS at the address specified on IRS Form 3210</li> </ul> </li> </ul> </li> </ul> <p><b>Notes:</b> If receipts total more than 100 per workweek, group and mail more than once weekly.</p> <p>See Exhibit 20 for an example of a completed IRS Form 3210.</p>
<p>coordinate the annual filing of CCC-941 with the filing of an application or a request for payments and benefits under all programs subject to the average AGI limitations</p>	<ul style="list-style-type: none"> <li>• USPS First-Class mail exception applies.</li> </ul>
	<p>according to 3-PL (Rev. 2):</p> <ul style="list-style-type: none"> <li>• observe eligibility updates that occur periodically</li> <li>• take corrective actions as required from mismatch and error reports.</li> </ul>

**Note: A completed CCC-941 must be received by IRS within 120 calendar days of the signature date affixed by the person or legal entity for the consent to disclosure of tax information to be considered valid.**

**477 Disclosing Information (Continued)****G CCC-941 Availability**

Blank CCC-941's will be available:

- to all participants' programs subject to compliance with the \$900,000 AGI limitation
- online at <http://intranet.fsa.usda.gov>
- at each FSA Service Center.

**H Incomplete or Illegible CCC-941's**

All CCC-941's received and considered unacceptable by IRS will:

- be returned to the FSA Service Center's address listed on CCC-941
- include IRS Notice 1398, reason for rejection
- include the requirement to submit a new, completed CCC-941.

FSA Service Center personnel will contact the person or legal entity to:

- explain the reasons for rejection
- assist the person or legal entity in correctly completing and submitting to FSA a correct CCC-941.

**Note:** See Exhibit:

- 21 for an example of IRS Notice 1398

**Note:** IRS Notice 1398 is generated by the IRS only when CCC-941, submitted for verification, is rejected for the reasons specified on the notification.

- 22 for explanation of IRS rejection messages and recommended FSA actions.

**I Failure to Submit Completed CCC-941's**

Persons or legal entities that choose **not** to submit a completed CCC-941 will be:

- determined noncompliant with the \$900,000 AGI limitations for the applicable crop year, program year, and FY's
- determined ineligible for program benefits for the year that benefits were requested
- required to refund **all** payments received under the programs, subject to the average \$900,000 AGI limitation received for the applicable year.

## 478 Average AGI Compliance Certification and Consent to Disclosure of Tax Information

**A Acceptance of CCC-941's**

County Offices must accept **only** complete CCC-941's. A complete CCC-941 consists of either of the following:

- CCC-941 with all items completed
- CCC-941 with items 1 through 4 completed, Part B signed by the person or legal entity, and a statement from an attorney or CPA that meets the requirements in paragraph 468.

If a person or legal entity chooses to provide an attorney or CPA statement, both the statement and CCC-941 **must** be submitted to the State Office Reviewing Authority **before** CCC-941 is considered complete and AGI compliance values may be updated in the Producer Eligibility file.

**\*--B Digitally Signed, FAXed, and Scanned CCC-941's**

Digitally Signed, FAXed, and scanned CCC-941's may be accepted if:--\*

- all requirements of 1-CM are met
- these actions do **not** alter the existing fiduciary capacities or approved signature authorities.

**C Signature Authority for CCC-941's**

The authority for an individual to complete and sign CCC-941 on behalf of another individual or legal entity:

- **must** be compatible and acceptable to **both** FSA and IRS
- is more restrictive than 1-CM provisions for FSA program purposes.

**Note: FSA-211 cannot be used as evidence of signature authority.**

478 Average AGI Compliance Certification and Consent to Disclosure of Tax Information  
(Continued)

C Signature Authority for CCC-941's (Continued)

The following table provides the authorizations that are compatible and acceptable to **both** FSA and IRS for CCC-941.

Authority/Authorization	Acceptable for CCC-941	Explanation, Comments, and Restrictions
Individual for a legal entity.	Yes	Relationship to the legal entity <b>must</b> be included in the signature block. See 1-CM.
Parent or legal guardian for a minor child.	Yes	Relationship to minor child <b>must</b> be included in the signature block. See 1-CM.
Durable power of attorney.	Yes	FSA accepts a durable power of attorney for FSA program-related purposes on review and approval of OGC. See 1-CM.  IRS accepts durable powers of attorney for tax filing and related purposes, if the attorney-in-fact has full authority to represent the grantor in <b>all</b> Federal tax matters. Copies of durable powers of attorney <b>must</b> be attached to CCC-941's and CCC-933's when submitted to IRS.
FSA-211.	No	<b>Not</b> acceptable to IRS.
Living spouses for each other.	No	<b>Not</b> acceptable to IRS.
IRS Form 2848.	No	<b>Not</b> acceptable to FSA.

**Note:** An "X" or inked thumbprint affixed as a signature on CCC-941 is acceptable to the IRS if witnessed by at least 2 persons. The name must be printed next to the "X" or thumbprint and the form must be dated. See 1-CM.

**478 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)****D Filing CCC-941's for Deceased Persons**

CCC-941 for an individual, now deceased, may be filed by any of the following:

- surviving spouse
- individual other than surviving spouse who is authorized to represent the deceased individual
- entity responsible for filing, or will cause the filing, of the final Federal tax return for the deceased individual.

Proof of authorization **must** be provided by all individuals and entities, **except** the surviving spouse. Proof of authorization includes, but is **not** limited to, the following:

- court order of appointment
- trust agreement
- will.

Proof of authorization to represent the deceased individual **must** be attached to CCC-941 when referred to the IRS.

Consult with the regional attorney on all questionable cases.

This policy is applicable **only** to CCC-941's because filing CCC-941's:

- will ordinarily be a 1-time occurrence
- is compatible with the IRS requirements applied to tax and related forms filed with the IRS on behalf of deceased individuals
- is consistent with the regulation at 7 CFR Part 707 in that the claimant for such payment or benefit earned by the deceased individual when living now has authority to seek or apply for the decedent's payment.

Policy in this subparagraph is for CCC-941's **only**. Follow 1-CM for signature authority and processing all other forms for FSA and CCC program purposes.

478 Average AGI Compliance Certification and Consent to Disclosure of Tax Information  
(Continued)

**E Completing CCC-941's for 2011 and Subsequent Years**

Complete CCC-941's according to the following table.

Item	Instruction
1	Enter name and address of the FSA County Office or Service Center of the recording county of the person or legal entity.
2	Enter the name and address of the person or legal entity that is requesting benefits under any of the commodity, price support, conservation, or disaster assistance programs.  <b>Note:</b> Enter the same name and address as used on filed tax returns if the name and address on record at FSA is different.
3	Enter complete SSN or TIN of the person or legal entity represented in item 2.
4	Enter the year for which program benefits are being requested. <b>Enter only 1.</b>  <b>Note:</b> The year selected determines the 3-year period that will be used in the calculation of the applicable average AGI for payment eligibility.
5	Select the response that describes the average AGI (all income from both farm and nonfarm sources) for the applicable 3-year period selected in item 4. <b>Select only 1.</b>
6	Read the acknowledgments, responsibilities and authorizations, <b>before</b> affixing signature.  For all types of entities, CCC-941 must be signed by a duly authorized representative.
7	Enter the title or relationship if signing in a representative capacity.
8	Enter the signature date in month, day, and year format.

**Note:** CCC-941 may be used for average AGI compliance certification and consent to disclosure for a year before 2011, but **only** for the \$900,000 AGI limitation amount. See paragraph 465.



478 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)

F Example of CCC-941

The following is an example of a completed CCC-941.

<p>This form is available electronically.</p>		
<p><b>CCC-941</b> (01-24-19)</p> <p><b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation</p>		<p><b>1. Return completed form to:</b> Johnson County FSA Office 1234 Front St. Someplace, TX XXXXX-XXXX</p>
<p><b>AVERAGE ADJUSTED GROSS INCOME (AGI) CERTIFICATION AND CONSENT TO DISCLOSURE OF TAX INFORMATION</b></p>		
<p><b>(Name and address of FSA county office or USDA Service Center)</b></p>		
<p><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Food Security Act of 1985 (Pub. L. 99-198), the Agricultural Act of 2014 (Pub. L. 113-79), and the Agriculture Improvement Act of 2018 (Pub. L. 115-334). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USD A/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</p>		
<p><b>Paperwork Reduction Act (PRA) Statement:</b> This information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided. <b>PLEASE RETURN COMPLETED FORM TO FSA AT THE ABOVE ADDRESS.</b></p>		
<p><b>2. Name and Address of Individual or Legal Entity (Including Zip Code)</b> Flatland Farms LLC 9630 Antelope Rd. Centreville, OK XXXXX-XXXX</p>	<p><b>3. Taxpayer Identification Number (TIN) (Social Security Number for Individual; or Employer Identification Number for Legal Entity)</b> XX-XXXXXXX</p>	
<p><i>(Use the same name and address as used for the tax return specified in Part B.)</i></p>		
<p><b>PART A CERTIFICATION OF AVERAGE ADJUSTED GROSS INCOME</b></p>		
<p><b>4. The program year for payment eligibility</b></p>		
<p><b>A. 20XX</b> Enter the year for which program benefits are requested. The period for calculation of the average AGI will be of the three taxable years preceding the most immediately preceding complete taxable year for which benefits are requested. For example, the 3-year period for the calculation of the average AGI for 2019 would be the taxable years of 2017, 2016 and 2015.</p>		
<p><b>5. I certify that the average adjusted gross income of the individual or legal entity in Item 2 (for the year included in Item 4) was:</b></p> <p><b>A. <input checked="" type="checkbox"/> Less than (or equal to) \$900,000</b></p> <p><b>B. <input type="checkbox"/> More than \$900,000</b></p>		
<p><b>PART B CONSENT TO DISCLOSURE OF TAX INFORMATION</b></p>		
<p>Pursuant to 26 U.S.C. §6103, I hereby authorize the Internal Revenue Service (IRS) to review the following items of "return information" (as defined in 26 U.S.C. §6103(b)(2)) from the returns (as specified below) of the individual or legal entity identified in Item 2 for the taxable years indicated in Item 4:</p>		
<p><b>Form 1040 and 1040NR filers:</b> farm income or loss; adjusted gross income</p>		<p><b>Form 1120, 1120A, 1120C filers:</b> charitable contributions, taxable income</p>
<p><b>Form 1041 filers:</b> farm income or loss, charitable contributions, income distribution deductions, exemptions, adjusted total income; total income</p>		<p><b>Form 1120S filers:</b> ordinary business income</p>
<p><b>Form 1065 filers:</b> guaranteed payments to partners, ordinary business income</p>		<p><b>Form 990T:</b> unrelated business taxable income</p>
<p>I understand the IRS will review these items of return information in order to perform calculations, the results of which I authorize to be disclosed to officers and employees of the United States Department of Agriculture (USDA) for use in determining the individual's or legal entity's eligibility for specified payments for various commodity and conservation programs. The calculations performed by the IRS use a methodology prescribed by the USDA. In addition, I am aware that the USDA may use the information received for compliance purposes related to this eligibility determination, including referrals to the Department of Justice.</p>		
<p>Specially, the IRS will disclose to the USDA the individual's or legal entity's name and TIN, and inform the USDA if, pursuant to its calculations, the average Adjusted Gross Income (AGI) is above or below eligibility requirements as prescribed by the Agricultural Act of 2014 or Agriculture Improvement Act of 2018. The IRS will also disclose to the USDA the type of return from which the information used for the calculations was obtained.</p>		
<p>If the IRS is unable to locate a return that matches the taxpayer identity information provided above, or if IRS records indicate that the specified return has not been filed, for any of the taxable years indicated, the IRS may disclose that it was unable to locate a return, or that a return was not filed, for those years, whichever is applicable.</p>		
<p><b>An approved Power of Attorney (Form FSA-211) on file with USDA cannot be used as evidence of signature authority when completing this form.</b></p>		
<p>By signing this form:</p> <ul style="list-style-type: none"> <li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li> <li>- I certify that all information contained within this certification is true and correct; and is consistent with the tax returns filed with the IRS;</li> <li>- I agree to authorize CCC to obtain tax data from the IRS for AGI compliance verification purposes by filing this form;</li> <li>- I am aware that without this consent to disclosure, the returns and return information of the individual or legal entity identified in Item 2 are confidential and are protected by law under the Internal Revenue Code;</li> <li>- I certify that I am authorized under applicable state law to execute this consent on behalf of the legal entity identified in Item 2 (for legal entity only).</li> </ul>		
<p><b>6. Signature (By)</b>  /s/ William A. Farmer</p>	<p><b>7. Title/Relationship of the Individual if Signing in a Representative Capacity for a legal entity</b> President, Flatland Farms LLC</p>	<p><b>8. Date (MM-DD-YYYY)</b> 05-30-20XX</p>
<p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p>		
<p><small>Persons with disabilities who require alternative means of communication (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p>		
<p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410, (2) fax: (202) 690-7442, or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</small></p>		

478 Average AGI Compliance Certification and Consent to Disclosure of Tax Information (Continued)

F Example of CCC-941 (Continued)

<b>CCC-941</b> (01-24-19)	<b>GENERAL INFORMATION ON AVERAGE ADJUSTED GROSS INCOME – PART A</b>	Page 2 of 2																		
<p>Individuals or legal entities that receive benefits under most programs administered by CCC cannot have incomes that exceed a certain limit set by law. For entities, both the entity itself, and its members cannot exceed the income limitation. If a member, whether an individual or an entity, of an entity exceeds the limitation, payments to that entity will be commensurately reduced according to that member's direct or indirect ownership share in the entity. (All members of the entity must also submit this form to verify income the limitation is met.)</p> <p><b>Adjusted Gross Income</b> is the individual's or legal entity's IRS-reported adjusted gross income consisting of both farm and nonfarm income. A three-year average of that income will be computed for the three years of the relevant base period identified on the first page of this form to determine eligibility for the applicable program year. Individuals or legal entities with average <b>adjusted gross income</b> greater than \$900,000 shall be ineligible for all payments and benefits under the commodity, price support, disaster assistance, and conservation programs.</p>																				
<b>HOW TO DETERMINE ADJUSTED GROSS INCOME (AGI)</b>																				
<p><b>Individual</b> – Internal Revenue Service (IRS) Form 1040 filers, specific lines on that form represent the adjusted gross income and the income from farming, ranching, or forestry operations.</p> <p><b>Trust or Estate</b> – the adjusted gross income is the total income and charitable contributions reported to IRS.</p> <p><b>Corporation</b> – the adjusted gross income is the total of the final taxable income and any charitable contributions reported to IRS.</p> <p><b>Limited Partnership (LP), Limited Liability Company (LLC), Limited Liability Partnership (LLP) or Similar Entity</b> – the adjusted gross income is the total income from trade or business activities plus guaranteed payments to the members as reported to the IRS.</p> <p><b>Tax-exempt Organization</b> – the adjusted gross income is the unrelated business taxable income excluding any income from non-commercial activities as reported to the IRS.</p>																				
<b>HOW TO DETERMINE AVERAGE ADJUSTED GROSS INCOME</b>																				
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<table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">IF the crop year is...</th> <th style="text-align: left;">THEN... Average AGI will be based on the following years....</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2019</td> <td style="text-align: center;">2017, 2016, and 2015</td> </tr> <tr> <td style="text-align: center;">2020</td> <td style="text-align: center;">2018, 2017, and 2016</td> </tr> <tr> <td style="text-align: center;">2021</td> <td style="text-align: center;">2019, 2018, and 2017</td> </tr> <tr> <td style="text-align: center;">2022</td> <td style="text-align: center;">2020, 2019, and 2018</td> </tr> <tr> <td style="text-align: center;">2023</td> <td style="text-align: center;">2021, 2020, and 2019</td> </tr> </tbody> </table>			IF the crop year is...	THEN... Average AGI will be based on the following years....	2019	2017, 2016, and 2015	2020	2018, 2017, and 2016	2021	2019, 2018, and 2017	2022	2020, 2019, and 2018	2023	2021, 2020, and 2019						
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<p>This consent allows IRS's access to, and use of, certain items of return information to perform calculations, using a methodology prescribed by the USDA, that will assist USDA in its verification of a program participant's compliance with the adjusted gross income (AGI) limitations necessary for participation in, and receipt of, commodity, conservation, price support or disaster program benefits. This consent also permits the USDA to receive certain items of return information for its eligibility determination.</p> <p>This consent authorizes the disclosure of these items of return information for only the time period specified. Each item of information requested on this form is needed for the IRS to (1) locate, and verify, your tax information; (2) perform the requisite Average AGI calculations; and (3) provide the USDA with the legal entity's name and Taxpayer Identification Number (TIN), the type of return from which the specified items were located for use in the calculation, and whether or not the average AGI is above or below eligibility requirements. The IRS will not provide the USDA with any of the items specified on this consent form that it uses to perform the calculations or the average AGI figure.</p> <p>This form can only be signed by the person authorized under state law to sign this consent for the legal entity identified in Item 2. <b><u>An approved Power of Attorney (Form FSA-211) on file with USDA cannot be used as evidence of signature authority when completing this form.</u></b></p>																				
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479 Submitting CCC-941's to IRS

**A Required Submissions Beginning in FY 2020**

Beginning in FY 2020, FSA will submit program year 2020 (and subsequent year) CCC-941's to IRS for a determination according to the following table.

<b>IF a person or legal entity (including entity members, partners, or stockholders)...</b>	<b>THEN...</b>
<p>has <b>not</b> received <b>any</b> determination from either IRS or State Office/SED and the AGI 2014/2018 Farm Bill flag is set to <b>both</b> of the following in <b>any</b> of the 3 prior years:</p> <ul style="list-style-type: none"> <li>• IRS Determination = “Not Processed”</li> <li>• State Office/SED Determination = “No Determination”</li> </ul> <p><b>Note:</b> This is applicable to new producers or producers who previously certified to exceed the statutory limitation.</p>	<p>CCC-941 is required to be sent to IRS for verification and determination.</p>
<p>has received <b>any</b> of the following determinations in any of the previous 3 years:</p> <ul style="list-style-type: none"> <li>• <b>IRS Determinations:</b> <ul style="list-style-type: none"> <li>• Not Compliant</li> <li>• Failed Verification</li> </ul> </li> <li>• <b>State Office/SED Determinations:</b> <ul style="list-style-type: none"> <li>• Not Compliant – Review</li> </ul> </li> </ul>	
<p>is an applicant for an FSA or NRCS multi-year conservation contract, including NRCS's easement programs</p> <p><b>Note:</b> CCC-941 previously filed and not sent to IRS may need to be refiled at the time of application if the original CCC-941 signature date is over 120 <b>calendar</b> days old.</p>	
<p>submits CCC-941 and COC, or its designee, has reason to question the producer's certification</p>	
<p>receives an IRS determination “compliant – FSA determined” in the prior FY</p>	

**479 Submitting CCC-941's to IRS (Continued)****B CCC-941's Not Required To Be Submitted to IRS Beginning in FY 2020**

CCC-941's are not required to be sent to IRS if the person or legal entity has received any of the following IRS or State Office/SED determinations in all 3 prior FY's:

- **IRS Verification/Determinations:**
  - Compliant Producer
  - Compliant – less than 3 years
- **State Office/SED Determinations:**
  - Compliant Review
  - Mismatch Verified.

CCC-941's not sent to IRS will be determined "compliant – FSA determined" for the current FY. Person and legal entity eligibility flags updated with the IRS determination "compliant – FSA determined" for the current year will require an IRS determination in the subsequent year.

See 3-PL (Rev. 2) for detailed messaging that County Offices will receive when recording the producer's AGI certification and date documentation filed.

**C FY 2021 and Subsequent Year IRS Submissions**

To effectively maintain integrity in the AGI certification process, FSA will require an IRS determination at least bi-annually (once every other year) for all producers submitting CCC-941 unless any conditions identified in subparagraph A apply.

**480 Review and Validation Process****A IRS Calculations and Comparisons**

For each CCC-941 submitted to IRS, IRS will:

- match person's or legal entity's supplied information with IRS tax records and filings
- perform a series of calculations to determine AGI and average AGI amount for the applicable 3-year period
- compare calculated amounts to established average AGI limitation amount
- report the results of the data-matching and calculations to FSA on a regular basis.

**480 Review and Validation Process (Continued)****B IRS Results Reported to FSA**

IRS provides results to FSA indicating the following information:

- whether or not the person or legal entity appears to meet the average AGI limitation
- number of years in the applicable 3-year period that tax data was available for the person or legal entity and used in the calculations
- IRS forms series on file and used in the data comparison for each person or legal entity.

IRS does **not** provide to FSA the following:

- dollar amounts representing the person's or legal entity's income
- AGI or average AGI amount calculated and used in the comparison
- a determination whether or not the person or legal entity is eligible or ineligible for payments under program that are subject to average AGI compliance.

**C Receipt and Storage of Data From IRS**

The information transferred from IRS to FSA is:

- received and stored in a secure database
- only accessible by authorized personnel
- used only in the AGI verification process
- **not** releasable under FOIA
- **not** available for any other purposes or uses.

**D Using Data Received From IRS**

The data received from IRS will be:

- validated with SCIMS and producer eligibility records
- the foundation of reports to be used for AGI compliance verification purposes.

**481 Average AGI Compliance Reports****A Reports**

The average AGI compliance reports will identify persons or legal entities with the following:

- no data return from IRS
- average AGI amount that exceed the threshold levels
- average AGI amount at or below the threshold levels
- no matching records on file with IRS.

**B Responsibility for Reports and Associated Mailings of Notifications**

All AGI compliance reports will be completed by the National and Kansas City Offices.

Refer to 3-PL (Rev. 2) for IRS AGI Not Compliant/Failed Verification Report and IRS Mismatch Reports.

**482 Unsuccessful IRS Verifications****A IRS Rejection “No Record Found on Master File”**

If CCC-941 was rejected by the IRS for the selected reason of, “No record found on Master file. No return filed for years checked using this TIN/SSN”, then:

- retain a copy of the IRS rejection letter with the returned CCC-941 in the individual’s or legal entity’s eligibility file
- send a copy of the returned CCC-941 and IRS rejection letter to the State Office specialist responsible for conducting an AGI compliance review
- State Office specialist must verify average AGI and update the applicable year AGI subsidiary value under the SED/State Office section of the subsidiary software based on the results of the review.

See Exhibit 22 for additional information.

482 Unsuccessful IRS Verifications (Continued)

**B Unsuccessful IRS Verification – No Response Received From IRS**

When a producer’s CCC-941 will not successfully pass IRS verification **and** the producer is not on the IRS mismatch report after 3 attempts to mail CCC-941 to the IRS, the **County Office must complete and document all of the following.**

- Provide documentation to the State Office showing that at least 3 attempts were made to send the producer’s AGI certification to the IRS.
- Provide verification from CED and other County Office personnel that all actions in steps 1 through 9 have been completed as provided in 3-PL (Rev. 2), subparagraph 26 J.

**Note:** The State Office specialist must review Eligibility AGI 2014 Farm Bill IRS determinations in the subsidiary system for at least 2 program years immediately before and/or after the program year in question.

<b>IF the State Office/SED determination is...</b>	<b>AND/OR IRS determination is...</b>	<b>THEN...</b>
<ul style="list-style-type: none"> <li>• “Not Compliant-Review”</li> <li>• “No Determination”</li> </ul>	“Not Compliant”	compliance review must be completed.
<ul style="list-style-type: none"> <li>• “Compliant-Review”</li> <li>• “Mismatch Verified”</li> </ul>	<ul style="list-style-type: none"> <li>• “Compliant-Producer”</li> <li>• “Compliant - Less than 3 years”</li> </ul>	producer is AGI compliant.

**Example:** Missing IRS determination for 2016. If the 2014 SED determination is “Compliant-Review” and the 2015 IRS determination is “Compliant-Producer,” then the 2016 determination for the producer can be determined as AGI compliant; set the State Office/SED determination AGI subsidiary value to “Compliant-Review”.

- Document all SED/State Office determinations (based on historical AGI compliance information) on a copy of the Producer Subsidiary Print Report printed according to instructions in 3-PL (Rev. 2).
- If producer is determined AGI compliant based on historical AGI compliance and payment eligibility records, update the producer as “Compliant-Review” according to instructions in 3-PL (Rev. 2), subparagraph 26 J.

**482 Unsuccessful IRS Verifications (Continued)****B Unsuccessful IRS Verification – No Response Received From IRS (Continued)**

- Place the documented Producer Subsidiary Print Report, with the producer's CCC-941 filed for the applicable program year, in the producer's eligibility file.

**Note:** Subsidiary Print Report must include payment eligibility records for all program years used as the basis for the determination for the person or legal entity.

If the State Office is unsure of the producer's AGI compliance following a review of the producer's AGI compliance history:

- an AGI compliance review must be timely completed by the State Office for the person or legal entity for the applicable program year
- record the AGI compliance determination for the person or legal entity in the subsidiary file for the applicable program year.

**483 Average AGI Amounts Above Threshold Level****A Average AGI Above Limitation**

A report will list participants with an indicator that the average income amount exceeds the \$900,000 limitation. See paragraph 481 and 3-PL (Rev. 2).

**B Producers Identified**

Persons and legal entities identified on this report will be:

- notified in writing by the reviewing authority of the results of the IRS data analysis
- required to provide within 30 calendar days of notification to the reviewing authority:
  - a third-party verification from CPA or an attorney that demonstrates that average AGI does **not** exceed established limits
  - actual tax records for the years in question to demonstrate that average AGI does **not** exceed the established limits.

See paragraphs 473 and 474 for procedure and examples of nonresponsive participants.



**484 Average AGI Amounts at or Below Threshold Levels****A Average AGI Within Limitations**

A report will list participants with an indicator that the average AGI amount is within the limitation for all programs.

No further actions will be required of:

- participants identified for the applicable crop, program, and FY
- County Offices in regard to eligibility files of identified participants for the applicable crop year, program year, and FY.

**485 FSA Review and Compliance Determinations****A Review of Questionable Average AGI Certifications Identified Through Using IRS Data**

The reviewing authority will:

- **not** be the local FSA office staff or COC
- **be** SED
- review tax data or other information supplied by the person or legal entity
- if necessary, calculate the average AGI values based on supplied information
- confer with the person or legal entity if questions arise in this process
- determine AGI compliance for the person or legal entity
- provide results and conclusions of the review.

**Note:** SED's are delegated authority to act on initial AGI review determinations referenced in subparagraph B, after performing the review actions specified in this subparagraph.

**B Determination of Person's or Legal Entity's Compliance With Average AGI**

SED's will:

- issue written notice of determination, adverse or otherwise, to the person or legal entity
- include right to SED reconsideration, mediation, and appeal rights to NAD according to 1-APP
- send a copy of determinations involving NRCS participants to the State Conservationist
- follow paragraph 488 for an example notification letter for AGI compliance.

**485 FSA Review and Compliance Determinations (Continued)****C AGI Compliance Review File for State Office Only**

An AGI Compliance Review File created for each person or legal entity and program year reviewed should contain the following after completing the review:

- all documentation (CPA or attorney statement, or tax information) received from the person or legal entity
- copy of the original AGI certification (CCC-941 or CPA or attorney certification)
- copy of the Average AGI Calculation Worksheet (Required only for Tax Return submissions) (subparagraph 486 E)
- copy of the written notice of determination or completion of the review sent to the person or legal entity.

**Note:** AGI Compliance Review Checklists (CCC-770 CPA and CCC-770 TAX) are required for the first five AGI compliance reviews, beginning October 1<sup>st</sup> of the current FY. SED's may require additional reviews at the SED's discretion. See Exhibit 24.

\*--A CPA or attorney average AGI certification statement compliance review file created for each person or legal entity and program year reviewed according to paragraph 473.5 should contain the following after completing the review:

- all documentation (CPA or attorney statement, tax information, other credible documentation) received from the person or legal entity
- copy of the original AGI certification (CCC-941 and CPA or attorney certification)
- AGI Compliance Review Checklist (CCC-770 CSCR) completed and signed by the State Office specialist

**Note:** AGI Compliance Review Checklists (CCC-770 CSCR) are required for ALL CPA or attorney average AGI certification statement compliance reviews in addition to the first five AGI compliance review CCC-770 requirements in this subparagraph. See Exhibit 24.

- copy of the written notice of determination or completion of the review sent to the person or legal entity.--\*

**486 Average AGI Compliance Review Process****A Producer Notification**

Producers who are identified by IRS to exceed the AGI limitation according to paragraph 483 must be notified of their ineligibility for FSA/CCC and NRCS program benefits subject to AGI provisions. Such notification must include applicable appeal rights according to 1-APP. See paragraph 488 for sample notification letter.

**486 Average AGI Compliance Review Process (Continued)****B Producer Requests for Reconsideration**

Producers may timely request reconsideration of the SED decision or appeal the SED's decision to NAD. In a request for reconsideration, the appellant must provide complete tax returns or an acceptable CPA/Attorney statement to reestablish eligibility with the average AGI provisions.

**Note:** A producer's failure to timely request reconsideration or appeal will result in the initial determination becoming final. The State Office Specialists must:

- set the State Office/SED Determination to "Not Compliant-Review" in Subsidiary (3-PL (Rev. 2)) to indicate the compliance review process has been completed
- notify the recording county of the results of the compliance review.

**C Reviewing Documentation Provided Under Appeal**

A review of average AGI compliance requires the following actions:

- collecting the copy of average AGI certification (CCC-941, or acceptable statement from CPA or attorney) submitted by the person or legal entity for the applicable year
- reviewing the complete tax returns for each of the 3-year qualification period; or acceptable financial documents if filing tax returns is not required; or an acceptable statement from CPA or attorney with all required items that illustrate and document income levels and average AGI compliance for the person or legal entity for the applicable year
- comparing both sets of information to the rules and regulations governing average AGI for payment eligibility for the applicable year subject to review
- verify the following:
  - subsidiary flags are accurately set to reflect the certification of record
  - there is a valid CCC-941 on file supporting record certification.

**D Results and Findings**

The results and findings of the review and evaluation are the basis to determine whether person or legal entity meets or exceeds the average AGI limitation.

Notify the producer of the appeal determination and afford applicable appeal rights.

486 Average AGI Compliance Review Process (Continued)

**E Worksheet for Calculating Average \$900,000 AGI for the Applicable Year Based on the Submission of Tax Returns**

Use the following worksheet to calculate the average AGI for a person or legal entity based on the submission of tax returns.

Step	Action	Result															
1	<p>Enter the total AGI for the 3 complete taxable years preceding the most immediately preceding complete taxable year of the year for which program benefits are requested.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 20%;"></td> <td style="width: 30%;"></td> <td style="width: 50%; text-align: right;">Specify From Where Information Was Obtained (for example, IRS Form 1040, Line 37)</td> </tr> <tr> <td style="text-align: center;">Year</td> <td style="text-align: center;">Amount</td> <td></td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">\$ _____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> </table> <p>*--Note: See paragraph 472 for guidance.--*</p>			Specify From Where Information Was Obtained (for example, IRS Form 1040, Line 37)	Year	Amount		_____	\$ _____	_____	_____	_____	_____	_____	_____	_____	
		Specify From Where Information Was Obtained (for example, IRS Form 1040, Line 37)															
Year	Amount																
_____	\$ _____	_____															
_____	_____	_____															
_____	_____	_____															
2	Total the dollar amounts in step 1.	\$ _____															
3	Calculate the <b>average AGI</b> by dividing the result of step 2 by the number of years in step 1.	\$ _____															

**F Admissions**

If a person or legal entity submits a revised CCC-941, or certification is received that the person or legal entity exceeds any of the average AGI limitations for any program, do the following:

- accept the written material and keep with the file
- consider the AGI compliance review complete
- reset the applicable coverage AGI values to “producer not met” in the web-based eligibility files. See 3-PL (Rev. 2).

## 486 Average AGI Compliance Review Process (Continued)

**F Admissions (Continued)**

If a person or legal entity affirms that the average AGI limitation is exceeded, FSA is:

- **not** required to issue a decision on ineligibility
- **not** required to issue an adverse decision on average AGI noncompliance
- required to issue adverse overpayment notifications for all programs that FSA administers.

**G Withdrawing Average AGI Certification**

If a person or legal entity requests to withdraw an average AGI certification submitted for an applicable year, the request must be submitted **before** FSA issues any administrative decision relative to the person's or legal entity's average AGI compliance and **all** of the following:

- in writing
- signed by the person or authorized representative of the legal entity
- attached to CCC-941, or to the CPA or attorney statement submitted for the applicable year
- placed in the person's or legal entity's eligibility file.

When the request to withdraw an average AGI certification is accepted, the recording county **must** do the following:

- reset the eligibility AGI values to "Not Filed" for all commodity, price support, disaster assistance, and conservation programs for the applicable crop year, program year, and FY according to 3-PL (Rev. 2)
- consider the AGI compliance review complete
- **not** issue an adverse decision on average AGI compliance
- issue adverse overpayment notifications for **all** programs that FSA administers.

**487 Payment Refunds and Collections****A Participant Fails to Timely Act or Is Determined AGI Noncompliant**

If a person or legal entity fails to timely respond to written notices on AGI compliance requirements, or has been determined noncompliant with the applicable AGI limitations, all payment refund determinations and collection efforts will be initiated by:

- NRCS for all payments under programs it administers subject to this AGI compliance determination
- FSA for all payments under programs it administers subject to this AGI compliance determination.

See paragraph 488 for example letters for AGI compliance.

**B Errors in Recording Either Determinations or Admissions**

When errors are discovered in either determinations or in the recording of determinations, take applicable corrective actions that include, but are not limited to the following:

- reset the eligibility AGI values according to 3-PL (Rev. 2)
- document on the report that AGI values were reset according to this subparagraph.

**C FSA and NRCS Responsibilities**

Each Agency will be responsible for all follow-up actions as required under the following:

- respective program procedures for payment refunds
- DCIA.

488 Example Letters for AGI Compliance

**A Example Letters**

Use the example letters in subparagraphs:

- **--B through G**, as guides when notifying individuals and legal entities of average AGI limitation requirements or determinations
- **H through L** as guides for STO Specialists and SED's when notifying individuals and legal entities of CPA and Attorney average AGI certification statement reviews and determinations. **--\***

**B Example of Letter When CCC-941 Is Required**

The following is an example of a notification letter for a person or legal entity when CCC-941 is needed.

**\*--**

<p><i>(Date)</i></p> <p>Person or legal entity  <i>Address 1</i>  <i>Address 2</i></p> <p>Dear Person or Legal entity:</p> <p>The Agricultural Act of 2014 (2014 Farm Bill) and Agriculture Improvement Act of 2018 (2018 Farm Bill) provides an average adjusted gross income (AGI) limitation of \$900,000 for participants in farm and conservation programs administered by the Farm Service Agency and the Natural Resources Conservation Service. This limitation applies to individuals, legal entities, as well as to members of legal entities, that receive payments from farm and conservation programs that include the following.</p> <p><b>For October 1, 2011, and subsequent years:</b></p> <ul style="list-style-type: none"> <li>• Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)</li> <li>• Livestock Forage Assistance Program (LFP)</li> <li>• Livestock Indemnity Program (LIP)</li> <li>• Tree Assistance Program (TAP).</li> </ul> <p><b>For 2014-2015 only:</b></p> <ul style="list-style-type: none"> <li>• Transition Assistance for Producers of Upland Cotton (CTAP).</li> </ul> <p><b>For 2014 and subsequent years:</b></p> <ul style="list-style-type: none"> <li>• Price Loss Coverage (PRC)</li> <li>• Agricultural Risk Coverage (ARC)</li> <li>• Noninsured Crop Disaster Assistance Program (NAP)</li> <li>• Price Support including Market Loan Gain (MLG) and Loan Deficiency Payment (LDP)</li> <li>• Agricultural Marketing Assistance (AMA).</li> </ul>
--

**--\***

## 488 Example Letters for AGI Compliance (Continued)

**B Example of Letter When CCC-941 Is Required (Continued)**

«Name»

Page 2

**For 2015 and subsequent years:**

- Conservation Reserve Program (CRP)
- Environmental Quality Incentive Program (EQIP)
- Conservation Stewardship Program (CSP)
- Agricultural Conservation Easement Program (ACEP)
- Conservation of Private Grazing Land Program
- Farmable Wetland Program
- Grassroots Source Water Protection Program
- Regional Conservation Partnership Program (RCPP) and other conservation programs.

Completing form CCC-941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information, allows the IRS to average your AGI for the three applicable tax years to provide FSA information on whether your average appears to meet or exceed the AGI limitation amount. Individuals, legal entities, and all members of legal entities must complete form CCC-941.

As of the date of this letter, the records indicate that you have not submitted the **required** form CCC-941. Accordingly, you are determined ineligible for *[insert applicable program year]* farm and/or conservation program benefits. A refund is required of *[insert applicable program year]* farm and/or conservation program payment benefits received. You and/or any legal entity you may have indirect payment interest in will be notified by separate letters from the administrative Agencies of FSA and NRCS, as appropriate, of refund amounts required.

If you believe that FSA has not properly determined the facts of this case regarding your **AGI ineligibility**, you may appeal this determination to the FSA County Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you choose, your appeal can include submission of a completed CCC-941. If you appeal to the FSA County Committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to the FSA County Committee, you may later appeal an adverse determination of the FSA County Committee to the FSA State Committee or the National Appeals Division. To appeal, write to the FSA County Committee at the following address and explain why you believe this determination is erroneous.

*(Insert COC address.)*

If you do not timely file an appeal of this determination, this must be the final administrative determination with respect to this matter in accordance with regulations at 7 CFR Part 780.

Sincerely,

County Executive Director  
FSA County Office



488 Example Letters for AGI Compliance (Continued)

C Example Letter With Attachment for Determining AGI Ineligibility

The following is an example notification letter for use when IRS indicates the average AGI exceeds the limitation. This example letter includes an attachment.

\*--

[Date]

[Address Block]

Dear [Name]:

The Agricultural Act of 2014 (2014 Farm Bill) and Agriculture Improvement Act of 2018 (2018 Farm Bill) provides an average adjusted gross income (AGI) limitation for participants who enroll in farm and conservation programs administered by the Farm Service Agency and the Natural Resources Conservation Service. This limitation applies to individuals, legal entities, as well as to members of legal entities, that receive farm and conservation program payments.

The Farm Service Agency (FSA) and Internal Revenue Service (IRS) formed a partnership to ensure that only those participants who comply with AGI requirements receive farm and conservation program benefits. This data-sharing process maintains the confidentiality and privacy of tax return information while providing FSA information necessary to verify your average AGI certification.

You provided written consent allowing the IRS to provide FSA information related to your average AGI to assist FSA in determining if you meet the statutory AGI provisions.

For the program year identified below, IRS records do not provide satisfactory information to verify your certification.

Program Year	Tax Years used to Compute Average AGI
Example: 2025	Example: 2021-2022-2023

Because FSA is unable to successfully validate your certification, the FSA State Executive Director has determined that your certification does not meet the statutory AGI limitation requirement and you are ineligible for benefits and payments from FSA, CCC and NRCS programs subject to the average AGI provisions.

You may submit documentation to the SED in support of your average AGI and if it is found that the documentation results in a different finding from that of IRS's indications, it may result in the SED reversing this determination. If you want the SED to review your average AGI, please provide either one of the following in support of this review:

- A signed statement from a CPA or attorney for the program year identified that verifies your average AGI did not exceed the applicable AGI limitation (example statement attached). If a signed statement from a CPA or attorney is provided, the statement must include all of the elements shown in the sample letter and Attachment 1.
- Copies of the complete Federal Tax Returns that were filed with the IRS, or official transcripts from IRS, for the years used to compute the average AGI.

**NOTE:** If your average AGI exceeded the \$900,000 limitation because you filed a **joint tax return**, and you would have been eligible **had you filed taxes separately**, you **must provide a CPA** or Attorney statement certifying that your average AGI, if you had filed separately, would have been at or below the \$900,000 limitation. **If a CPA or attorney certification is not provided, the AGI shown on your joint tax return will be considered your AGI for program purposes.**

Following a review of either the tax returns or CPA/Attorney certification, FSA will provide written notice of the results of the review.

If you discover that your applicable certification of average AGI may have been in error, you may submit a signed acknowledgment that your income exceeded the average AGI limitation in lieu of tax returns or CPA/Attorney certification statement.

--\*

488 Example Letters for AGI Compliance (Continued)

C Example Letter With Attachment for Determining AGI Ineligibility (Continued)

\*--

To avoid delay or interruption in program payments or benefits, please provide the documentation to FSA within 30 days of receiving this letter. Information may be mailed to:

Farm Service Agency  
-Insert STO address-

Your documentation may also be emailed to:

Failure to provide documentation to support your compliance with the average AGI limitations within 30 days from the date of receipt of this letter will result in the Agency assuming the information received from IRS is correct and this notification will become a final determination based on IRS' indications. As a result, you will be ineligible for program payments or benefits for the applicable program year. A refund of program payments subject to the AGI limitation for which you received directly or indirectly through another entity will be required. A separate letter will be sent with the required refund amount and instructions for submitting the refunds. If you earned benefits indirectly through a legal entity or joint operation, the entity or joint operation will be notified of the amount of refund that is required.

If circumstances prevent you from providing documentation to support your eligibility for this review within the 30-day timeframe, please contact this office to request an extension.

If you believe that FSA has not properly considered the facts related to the determination of your eligibility under the AGI provisions, you have the following options:

(Insert reconsideration, mediation and appeal to NAD according to 1-APP)

Sincerely,

/s/

State Executive Director

--\*

## 488 Example Letters for AGI Compliance (Continued)

**D Example of Letter Acknowledging Request for Reconsideration Review**

The following is an example letter acknowledging request for reconsideration.

<p>[Date]</p> <p>[Address Block]</p> <p>Dear [Name of Participant]:</p> <p>This letter acknowledges your request for reconsideration of the Farm Service Agency's (FSA's) decision concerning your eligibility under the average adjusted gross income provisions for the [insert applicable program year].</p> <p>A representative of the [enter name] State FSA Office will review your request on [enter date which should be no earlier than 17 days from date of mailing], at [enter time]. The hearing will be in a room to be designated for the purpose of conducting a hearing. You, your authorized representative, or both, are invited to attend the hearing and submit any additional information in support of your request for reconsideration. If you choose to personally appear, please come to:</p> <p style="padding-left: 40px;">[Enter State Office address and contact phone number.]</p> <p>The hearings are informal and verbatim transcripts are not ordinarily made. However, if you want a transcript to be made at your expense, please let us know at least 7 calendar days before the hearing, and we will make the arrangements. Neither FSA nor the Department will reimburse you for any costs you may incur in connection with your request for reconsideration. Please note that a verbatim transcript will only be permitted if you choose to attend the scheduled hearing either in person or via telephone.</p> <p>Should you prefer to attend the scheduled hearing by telephone, in advance of the hearing date please provide us with a telephone number of where you and your authorized representative can be contacted on the day and time of the scheduled hearing. If you choose not to attend the hearing at all (either in person or via telephone) please let us know. However, whether you choose to attend the hearing or not, you may submit before the date of the scheduled review, any further facts or evidence you wish to have considered. The Deputy Administrator will consider your request and arrive at a decision based on the record and other available information. The review will include all of the information submitted by you, in addition to the complete file pertaining to your case. FSA's review determination will be in writing and sent to you and your representative as soon as possible after conclusion of the scheduled meeting or hearing.</p> <p>If you have any questions about this matter, you may contact the State FSA Office at [enter complete area code and phone number]. If you telephone us and receive a voice mail recording, please leave your contact information and we will return your call.</p> <p>Sincerely,</p> <p>[Name] State Executive Director</p>
--

## 488 Example Letters for AGI Compliance (Continued)

**E Example of Letter Granting Reconsideration**

The following is an example of a letter approving the participant's eligibility on reconsideration.

\*--

[Date]

[Address Block]

Dear [Name of Participant]:

This letter is in further reference to the appeal of the Farm Service Agency's (FSA's) decision concerning your eligibility under the Average Adjusted Gross (average AGI) income provisions for the [Insert applicable program year].

You submitted a form CCC-941, Average Adjusted Gross Income (AGI) Statement for the [2019] program year and affirmed on this form that your average AGI for the year identified in section 4 of the form, was within the limitation set forth in questions 5.

On May 1, 2014, FSA wrote you advising that information from the U.S. Department of Treasury, Internal Revenue Service (IRS), records did not support your certification of compliance with the average AGI limitation. FSA requested additional information to assist in its review. In response, you furnished documents that, when examined without any explanation from you, showed that you exceeded the \$900,000 AGI limitation for 2014 Price Loss Coverage benefits. Accordingly, you were determined ineligible for program payments subject to that AGI limitation. A letter advising you of this decision was issued on October 27, 2014. Upon receipt of that decision, you subsequently sought reconsideration from FSA.

On December 20, 2014, FSA representatives spoke with you in a telephone hearing. In the hearing you explained that the tax documentation you submitted reflected not only your income, but also income of your spouse. You mentioned having provided additional documentation specifying the manner income of you and your spouse would have been declared and reported if you each had filed two separate returns. In addition, you affirmed that the calculations were consistent with the information supporting the joint return. At the time of the hearing, FSA had received your documentation but did not have an acceptable statement by a certified public accountant or attorney affirming the calculations on division of the joint return. On December 22, 2014, FSA received a September 19, 2014, letter from an attorney affirming your calculations and certification of not having income in excess of the \$900,000 AGI limitation for 2014.

--\*

**488 Example Letters for AGI Compliance (Continued)**

**E Example of Letter Granting Reconsideration (Continued)**

[Name]

Page 2

Based on all the information submitted, including the information submitted on reconsideration, FSA has determined that you do not exceed the \$900,000 AGI limitation for 2014 Price Loss Coverage benefits.

This concludes FSA's reconsideration of this matter in accordance with 7 CFR parts 780 and 1400. A copy of this decision will be provided to local FSA offices.

Sincerely,

[Name]

State Executive Director

cc: CED, [Name] County FSA Office

## 488 Example Letters for AGI Compliance (Continued)

## F Example Letter for Disapproving Reconsideration

The following is an example of a letter disapproving the participant on reconsideration.

\*--

[Date]

[Address Block]

Dear [Name of Participant]:

This letter is in further reference to your appeal of the Farm Service Agency's (FSA's) decision concerning your eligibility under the Average Adjusted Gross Income Limitation Provisions for the 2015 program year.

**BACKGROUND**

You submitted a form CCC-941, Average Adjusted Gross Income (AGI) Statement, for the 2015 program year and affirmed that your average AGI for the period of years identified in section 4 of the form was within the limitation set forth in questions 5.

On June 1, 2015, FSA wrote you advising that information from the U.S. Department of Treasury, Internal Revenue Service (IRS), did not support your certification of compliance with the average AGI limitation. FSA requested additional information from you to assist in its review. In response, you furnished documents maintaining that when your gambling losses are deducted, your average AGI was less than the \$900,000 AGI limitation applicable to the Agricultural Risk Coverage program. Consequently, you were determined ineligible for program payments subject to that average AGI limitation. A letter advising you of the decision was issued on August 27, 2015. You subsequently appealed FSA's decision to the State committee.

**ISSUE**

Does [Name] have average AGI in excess of average AGI limitation for particular programs?

**GENERAL PROGRAM PROVISIONS**

The regulations governing average AGI limitations appear at 7 CFR part 1400.

--\*

## 488 Example Letters for AGI Compliance (Continued)

**F Example Letter for Disapproving Reconsideration (Continued)**

[Name]

Page 2

**APPELLANT'S POSITION**

You assert that FSA's decision is in error because it is based on the amount recorded on Line 37 of the IRS Form 1040, which is an amount before gambling losses are considered or deducted. You indicate that your income, less gambling losses, is far below the average AGI limitation of \$900,000.

**FINDINGS OF FACT**

1. [Name]'s average AGI as calculated for 2015 was not equal to or less than \$900,000. (IRS information received by FSA on June 10, 2015).
2. The majority of [Name]'s average AGI for three-year period applicable to the 2015 program year was from cash rents received from substantial farm and residential real estate property holding; majority of expenses and deductions were from gambling losses. (IRS information and copy of tax returns for 2013, 2012, and 2011 provided by the producer's tax preparer, Jason Accountant, CPA).
3. In accordance with 7 CFR 1400.501(c)(1), FSA correctly calculated the [Name]'s average AGI by using the amounts represented as "adjusted gross income," and recorded on Line 37 of the [Name]'s 1040 forms filed with the IRS for years 2013, 2012, and 2011. (Copies of [Name]'s tax returns for 2013, 2012, and 2011 as provided by producer's tax preparer, Jason Accountant, CPA)
4. [Name]'s average AGI is in excess of the \$900,000 AGI limitation for commodity programs specified at 7 CFR § 1400.1 for 2015. ([Name]'s September 10, 2015, letter to FSA with attachments.)

**ANALYSIS**

A review of the IRS information, the documentation supplied by you with your written appeal, and the tax returns provided by Jason Accountant, CPA, indicate, contrary to your certification, that your average AGI was not equal to or less than \$900,000 for the period applicable to 2015. While the IRS allows for the deduction of gambling losses to decrease your tax liability, such deductions are not and cannot be considered for the calculation of your AGI as recorded on Line 37 of your IRS 1040 forms that you filed for tax purposes. You confirmed these facts in your correspondence to FSA and in the hearing with the FSA. Accordingly, you are ineligible for payments and benefits under the \$900,000 average AGI limitation for commodity programs specified at 7 CFR § 1400.1 for 2015.

## 488 Example Letters for AGI Compliance (Continued)

**F Example Letter for Disapproving Reconsideration (Continued)**

[Name]

Page 3

If you believe that this decision is erroneous, you have the following options:

**Mediation**

Mediation is available as part of FSA's informal appeal process. Mediation may enable us to narrow the issues and resolve the matter by mutual agreement. You may have to pay all or part of the cost of mediation. If you request mediation, the running of the time frame in which you may file an appeal stops. When mediation closes, the clock restarts and you will have the balance of the days remaining in that period to file an appeal. To request mediation, you must submit your written request no later than 30 calendar days after you receive this notice. To request mediation, write to the FSA State Executive Director at the following address: *[Insert SED address or Mediation Program address, as applicable.]*

**Appeal to the Department of Agriculture National Appeal Division (NAD)**

You may appeal this determination to NAD by filing a written request no later than 30 calendar days after you receive this notice in accordance with the NAD Appeal procedures found at 7 CFR Part 11. If you appeal to NAD, you have the right to a hearing which you or your representative may attend. Once a hearing with NAD begins, you waive any rights you might have to reconsideration, appeal to FSA, and mediation. To appeal, you must write to NAD at the following address, explain why you believe this determination is erroneous, and provide a copy to FSA. You must personally sign your written appeal to NAD and include a copy of this letter. *[Insert applicable NAD address.]*

If you do not timely exercise one of the preceding options, this must be the final administrative determination with respect to this matter in accordance with the regulations at 7 CFR Part 780 and 7 CFR Part 11.

Sincerely,

[Name]

State Executive Director



## 488 Example Letters for AGI Compliance (Continued)

**G Example Notification for AGI Compliance Review Completion**

The following is an example for the notification of a participant following the completion of the AGI compliance review.

<p>[Date]</p> <p>[Address Block]</p> <p>Dear [Name]:</p> <p>The Farm Service Agency (FSA) has completed an examination of your [<i>insert the appropriate program year 2014 through 2018</i>] average Adjusted Gross Income (AGI) certification and the additional information submitted.</p> <p>Based on the data available to FSA and the supplemental documents you provided, FSA has determined that you comply with the \$900,000 AGI limitation for [<i>insert the following, the appropriate program and the year of the program</i>].</p> <p>Consequently, with the regard to the provisions of average AGI compliance, you are eligible for [<i>insert the appropriate program year 2014 through 2018</i>] program payments affected.</p> <p>The review for [<i>insert the appropriate program year 2014 through 2018</i>] average AGI compliance is now considered complete. We appreciate your cooperation.</p> <p>Sincerely,</p> <p>[name] SED [State] FSA State Office</p> <p>cc: County Office</p>
--

## 488 Example Letters for AGI Compliance (Continued)

**\*--H Example Notification for CPA or Attorney Average AGI Certification Statement Review Selection**

The following is an example for the notification of a participant selected for a review of the submitted CPA or Attorney certification statement for average AGI compliance.

**[Date]**

**[Address**

**Block]**

Dear **[Name of Participant]:**

The Agricultural Act of 2014 (2014 Farm Bill) and Agriculture Improvement Act of 2018 (2018 Farm Bill) provides an average adjusted gross income (AGI) limitation for participants who enroll in farm and conservation programs administered by the Farm Service Agency and the Natural Resources Conservation Service. This limitation applies to individuals, legal entities, as well as to members of legal entities, that receive farm and conservation program payments.

In response to a previously initiated adjusted gross income review, you submitted a signed statement from a CPA or attorney for the program year **[insert program year]** which provided verification that your average AGI did not exceed the applicable AGI limitation. This statement was accepted by FSA as evidence of meeting payment and/or program eligibility requirements. As such, the statement is subject to review by FSA.

You have been selected for a review of your AGI certification by the Deputy Administrator for Farm Programs (DAFP). To facilitate a review of the statement supplied, please submit copies of your complete tax returns for the **[insert applicable tax years]** tax years that you submitted to the United States Internal Revenue Service (IRS), within 30 calendar days from the date of this notification to the FSA State Executive Director (SED) at:

**[State Office Address Block]**

Documentation may also be emailed to: **[Program Specialist Email Address]**

Following a review of the tax returns, FSA will provide written notice of the results of the review.

--\*

## 488 Example Letters for AGI Compliance (Continued)

**\*--H Example Notification for CPA or Attorney Average AGI Certification Statement Review Selection (Continued)**

If you discover that your applicable certification of average AGI and/or average Farm AGI may have been in error, you may submit a signed acknowledgement that your certification was in error.

Failure to provide the requested tax returns to support your previously submitted CPA or attorney certification statement within 30 calendar days from the date of this notification will result in the Agency determining the certification is not acceptable to support your AGI compliance. As a result, you will be determined ineligible for benefits subject to AGI compliance for the **[insert program year]** program year. A refund of program payments subject to the AGI limitation which you received directly or indirectly through another entity is required. A separate letter will be sent with the required refund amount and instructions for submitting the refunds. If you earned benefits indirectly through a legal entity or joint operation, the entity or joint operations will be notified of the amount of refund that is required.

If circumstances prevent you from providing documentation to support your eligibility for this review within the 30-day timeframe, please contact this office at [xxx-xxx-xxxx], or at the email above, to request an extension.

Sincerely,

**[Name]**  
**State Executive Director**

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## 488 Example Letters for AGI Compliance (Continued)

**\*--I Example Notification for CPA or Attorney Average AGI Certification Statement Review-Additional Information Required**

The following is an example for the notification of a participant selected for a review of the submitted CPA or Attorney certification statement for average AGI compliance when additional information is required following an initial review of supporting documentation.

**[Date]**

**[Address**

**Block]**

Dear **[Name of Participant]**:

You were previously notified that you had been selected for a review of your CPA or attorney certification used to support your compliance with adjusted gross income (AGI) provisions for the **[insert program year]** program year. In response, FSA received documentation to support the validity of the previously submitted CPA or attorney certification. FSA appreciates this information.

After reviewing the information submitted, FSA has identified discrepancies between income information submitted on the CPA or attorney certification and the tax returns you submitted. **[Insert explanation of the noted discrepancy or discrepancies.]**

Due to the discrepancies noted above, FSA is requesting an explanation of the discrepancies or, if you determine necessary, a corrected CPA or attorney certification. Please submit this within 30 calendar days from the date of this notification to the FSA State Executive Director (SED) at:

**[State Office Address Block]**

Documentation may also be emailed to: **[Program Specialist Email Address]**.

If a response is not received, FSA will utilize the joint income report on your tax returns to determine your AGI compliance. If the joint income averages over \$900,000, you will be determined not compliant with adjusted gross income provisions for the year under review and ineligible for benefits subject to such compliance.

If circumstances prevent you from providing a response within the 30-day timeframe, please contact this office at **[insert phone number]** or through the email address provided above to request an extension.

Sincerely,

**[Name]**

**State Executive Director**

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## 488 Example Letters for AGI Compliance (Continued)

**\*--J Example Notification for CPA or Attorney Average AGI Certification Statement Review-Ineligible for Failing to Respond**

The following is an example for the notification of a participant selected for a review of the submitted CPA or Attorney certification statement for average AGI compliance when the participant failed to respond to a request for supporting documentation and is determined ineligible.

<p><b>[Date]</b></p> <p><b>[Address Block]</b></p> <p>Dear <b>[Name of Participant]</b>:</p> <p>In response to a previously initiated adjusted gross income review, you submitted a signed statement from a CPA or attorney for the <b>[insert program year]</b> program year to support your compliance with the applicable AGI limitation. You were subsequently selected for a review of your average AGI certification by the Deputy Administrator for Farm Programs (DAFP) and asked to submit copies of your complete <b>[insert applicable tax years]</b> tax returns. This information was requested in for FSA to determine if the CPA or attorney certification previously provided represented your income consistent with the federal tax returns filed for the applicable tax year.</p> <p>Regulations in 7 CFR, Part 1400.01 specify that adjusted gross income for a person is the adjusted gross income specified on the federal income tax return. Specifically for joint tax filers, Part 1400.01(a)(2) specifies that the AGI on jointly filed tax returns will be used to determine AGI compliance unless a certification is provided by a CPA or attorney specifying a person's income as if they would have filed a separate tax return and that calculation is consistent with information from the jointly filed returns. Since FSA was not provided the tax returns previously requested, we are unable to conclude that the CPA or attorney certification used to support your AGI compliance is consistent with your federal tax returns and therefore determined it is not an acceptable certification to support your compliance as required under 7 CFR, Part 1400.502.</p> <p>As a result, FSA has determined that you have failed to provide acceptable documentation to support your AGI compliance as required by the regulation noted above. Therefore, FSA has determined you are not compliant with the \$900,000 adjusted gross income provisions for the <b>[insert program year]</b> program year and are ineligible for benefits subject to such AGI compliance.</p> <p>A refund of program payments subject to the AGI limitation for which you received directly or indirectly through another entity is required. A separate letter will be sent with the required refund amount and instructions for submitting the refunds. If you earned benefits indirectly through a legal entity or joint operation, the entity or joint operations will be notified of the amount of refund required.</p> <p><b>[insert SED Reconsideration, Mediation, and appeal rights to NAD]</b></p> <p>Sincerely,</p> <p><b>[Name]</b> <b>State Executive Director</b></p>
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## 488 Example Letters for AGI Compliance (Continued)

**\*--K Example Notification for CPA or Attorney Average AGI Certification Statement Review Completion**

The following is an example for the notification of a participant selected for a review of the submitted CPA or Attorney certification statement for average AGI compliance when the review is complete, and the participant is determined to have met the requirements.

**[Date]**

**[Address**

**Block]**

Dear **[Name of Participant]**:

You were previously notified that you had been selected for a review of your CPA or attorney certification used to support your compliance with adjusted gross income (AGI) provisions for the **[insert program year]** program year. In response, FSA received documentation from **[you, CPA, Attorney]** to support the validity of the previously submitted **[CPA or Attorney]** certification. FSA appreciates this information.

After reviewing the information submitted, FSA has concluded your **[CPA, Attorney]** statement meets the requirements to maintain your eligibility for program benefits previously received and potential benefits that may be forthcoming, for the **[insert program year]** program year.

This determination is based on the facts as submitted. Any unrevealed circumstances could require the application of a more restrictive rule.

Thank you for your cooperation. There is no further action on your part regarding this matter. If you have questions concerning this letter, please contact our office.

Sincerely,

**[Name]**

**State Executive Director**

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## 488 Example Letters for AGI Compliance (Continued)

**\*--L Example Notification for CPA or Attorney Average AGI Certification Statement Review Completion, Ineligible**

The following is an example for the notification of a participant selected for a review of the submitted CPA or Attorney certification statement for average AGI compliance when the review is complete, and the participant is determined not to have met the requirements.

<p><i>[Date]</i></p> <p><i>[Address</i></p> <p><i>Block]</i></p> <p>Dear <i>[Name of Participant]</i>:</p> <p>In response to a previously initiated adjusted gross income review, you submitted a signed statement from a CPA or attorney for the <i>[insert program year]</i> program year to support your compliance with the applicable AGI limitation. You were subsequently selected for a review of your average AGI certification by the Deputy Administrator for Farm Programs (DAFP) and submitted copies of your complete <i>[insert applicable tax years]</i> tax returns.</p> <p>The documents you submitted have been reviewed and the following discrepancies were identified between the CPA or attorney certification and tax returns submitted:</p> <ul style="list-style-type: none"> <li>• <i>[list discrepancies]</i></li> </ul> <p>Regulations in 7 CFR, Part 1400.01 specify that adjusted gross income for a person is the adjusted gross income specified on the federal income tax return. Specifically for joint tax filers, Part 1400.01(a)(2) specifies that the AGI on jointly filed tax returns will be used to determine AGI compliance unless a certification is provided by a CPA or attorney specifying a person's income as if they would have filed a separate tax return and that calculation is consistent with information from the jointly filed returns. FSA has determined that the CPA or attorney certification provided to support your compliance is not consistent with the tax returns you have provided. As a result, FSA has used the joint income on your tax returns to calculate your average AGI. This average exceeds \$900,000.</p> <p>Therefore, FSA has determined you are not compliant with the \$900,000 adjusted gross income provisions for the <i>[insert program year]</i> program year and are ineligible for benefits subject to such AGI compliance.</p> <p>A refund of program payments subject to the AGI limitation for which you received directly or indirectly through another entity is required. A separate letter will be sent with the required refund amount and instructions for submitting the refunds. If you earned benefits indirectly through a legal entity or joint operation, the entity or joint operations will be notified of the amount of refund required.</p> <p><i>[insert SED Reconsideration, Mediation, and appeal rights to NAD]</i></p> <p>Sincerely,</p> <p><i>[Name]</i>  <b>State Executive Director</b></p>
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**\*--489 Special AGI Provisions**

**A AGI Provisions based on Farm Income**

Certain FSA programs make exceptions to the enforcement of the average AGI rule or allow for expanded payment limitation when a participant’s average AGI for the applicable period is at least 75% from farming.

The following exceptions apply based on the participant’s average AGI for the applicable period being 75% from farming.

<b>Program</b>	<b>Farm AGI Applicability</b>	<b>Form</b>
2017 WHIP	Exception to \$125,000 Payment Limitation, Increased to \$250,000	FSA-892
2018/2019 MFP	Exception to \$900,000 Average AGI Rule	CCC-942
2018/2019/2020 WHIP+	Exception to \$125,000 Payment Limitation, Increased to \$250,000	FSA-896
2020 CFAP/CFAP2	Exception to \$900,000 Average AGI Rule	CCC-942
ERP and ELRP	Exception to \$125,000 Payment Limitation, Increased to \$250,000	FSA-510

These exceptions are applicable only to the filer of the applicable form for which the exception is being sought.

**Example:** Corporation A, owned solely by Individual A, files an FSA-510 indicating 75% of its average AGI was from farming for expanded payment limitation for ERP. The corporation’s payment limitation for ERP is increased. However, the payment limitation for Individual A is not increased unless Individual A also files an FSA-510 indicating 75% of Individual A’s average AGI is from farming.

**B Alternative \$900,000 AGI Rule**

Certain FSA programs provide that a participant may maintain AGI eligibility when their applicable average AGI exceeds \$900,000 but their single year AGI for a specified year does not exceed \$900,000.

PARP and SMHPP provide the exception that if a participant’s average AGI for program year 2020 (2016, 2017, and 2018 tax years) exceeds \$900,000, the participant may remain eligible for benefits if their 2020 tax year AGI is less than \$900,000. This certification is recorded on FSA-1123.--\*



\*--489 Special AGI Provisions (Continued)

C Forms for Special AGI Provisions (Continued)

Following is an example of FSA-892.--\*

This form is available electronically.		OMB No. 0560-0291 OMB Expiration Date: 03/31/2022	
<b>FSA-892</b> (07-13-18)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1. Return completed form to:  (Name and address of FSA county office or USDA Service Center)	
<b>REQUEST FOR AN EXCEPTION TO THE                  2017 WHIP PAYMENT LIMITATION OF \$125,000                  2017 Wildfires and Hurricanes Indemnity Program (WHIP) Only</b>			
<b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 760, subpart O; and the Bipartisan Budget Act of 2018 (Pub. L. 115-123). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, tribal agencies, and nongovernment entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated).			
<b>Public Burden Statement (Paperwork Reduction Act):</b> Public reporting burden for this collection is estimated to average 5 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b>			
2. Name and Address (Including Zip Code) of Individual or Legal Entity (if general partnership or joint venture, complete only for each member)	3. Taxpayer Identification Number (TIN) (Social Security Number for Individual; or Employer Identification Number for Legal Entity).		
<b>PART A – REQUIREMENTS FOR WHIP PAYMENT LIMITATION EXCEPTION</b>			
4. 2017 WHIP payments received directly or indirectly by an individual or a legal entity are subject to a \$125,000 payment limitation. However, an exception to the \$125,000 payment limitation is available in which case 2017 WHIP payments are subject to a \$900,000 payment limitation, but only if both of the following conditions are met:			
<ul style="list-style-type: none"> <li>• at least 75% of the individual's or legal entity's average adjusted gross income (AGI) for the taxable years of 2013, 2014, and 2015 was derived from farming, ranching or forestry operations.</li> <li>• a certification from a licensed CPA or an attorney is submitted to the FSA/USDA Service Center identified in item 1, attesting that at least 75% of the individual's or legal entity's average AGI for the taxable years of 2013, 2014 and 2015 was derived from farming, ranching, or forestry operations. The CPA and/or Attorney may meet this requirement by completing Part C below or providing a similar statement that is acceptable to FSA.</li> </ul>			
Based on the above statements, select the applicable box below:			
A. <input type="checkbox"/> YES (Requesting \$900,000 Payment Limitation)      B. <input type="checkbox"/> NO (your payment limitation is \$125,000)			
<b>PART B – CERTIFICATION BY INDIVIDUAL OR ENTITY</b>			
By signing this form:			
<ul style="list-style-type: none"> <li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li> <li>- I certify, if required, that all information contained in a certification from a CPA or an attorney is true and correct, and is consistent with the 2013, 2014 and 2015 tax returns filed with the IRS for myself or the legal entity that is seeking participation in 2017 WHIP;</li> <li>- I acknowledge, if required, that failure to provide the certification described in this FSA-892 to FSA will result in a \$125,000 WHIP payment limitation;</li> <li>- I certify that I am authorized under applicable state law to sign this certification on behalf of the legal entity identified in Item 2 (for legal entity only).</li> </ul>			
5. Signature (By)	6. Title/Relationship of the Individual if Signing in a Representative Capacity for a Legal Entity	7. Date (MM-DD-YYYY)	
<b>PART C – CERTIFICATION BY CERTIFIED PUBLIC ACCOUNTANT/ATTORNEY</b>			
By signing this form:			
<ul style="list-style-type: none"> <li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li> <li>- I certify the producer identified in Item 2 and TIN in Item 3 has met the minimum requirements to be eligible for the \$900,000 Payment Limitation under 2017 WHIP as specified in Part A above.</li> </ul>			
8. Signature	9. Title (CPA/Attorney)	10. State/License Number	11. Date (MM-DD-YYYY)
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.			
Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.			
To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9922. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410, (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a> . USDA is an equal opportunity provider, employer, and lender.			

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\*--489 Special AGI Provisions (Continued)

C Forms for Special AGI Provisions (Continued)

Following is an example of CCC-942.--\*

This form is available electronically.		OMB No. 0560-0292 OMB Expiration Date: 04/30/2022	
<b>CCC-942</b> (07-29-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
<b>CERTIFICATION OF INCOME FROM FARMING,                  RANCHING AND FORESTRY OPERATIONS</b>		1. PROGRAM YEAR: [Redacted]	
		2. Return completed form to (Name and address of FSA county office or USDA Service Center): [Redacted]	
<p><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is Sec. 5 of the Commodity Credit Corporation Act [15 U.S.C. 714 et seq.]. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, tribal agencies, and nongovernment entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated).</p> <p><b>Paperwork Reduction Act (PRA) Statement:</b> Public reporting burden for this collection is estimated to average 5 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p>			
3. Name and Address of Individual or Legal Entity (Including Zip Code) (If general partnership or joint venture, complete only for each member) [Redacted]		4. Last (4) Digits - Taxpayer Identification Number (TIN) (Social Security Number for Individual; or Employer Identification Number for Legal Entity) [Redacted]	
<b>PART A – CERTIFICATION OF FARM INCOME</b>			
5. Individuals and Legal Entities exceeding the \$900,000 AGI limitation may otherwise qualify for certain program benefits, when the program authorizes the individual or legal entity to qualify based on following conditions: <ul style="list-style-type: none"> <li>at least 75 percent of the individual's or legal entity's average adjusted gross income (AGI) for the 3 taxable years preceding the most immediately preceding complete taxable year was derived from farming, ranching or forestry operations. For example, if the program year is 2019, then the 3-year period for the calculation will be the taxable years of 2017, 2016 and 2015.</li> <li>a certification from a licensed CPA or an attorney is submitted to the FSA/USDA Service Center identified in item 2, attesting that at least 75 percent of the individual's or legal entity's average AGI for the 3 taxable years preceding the most immediately preceding complete taxable year was derived from farming, ranching, or forestry operations. The CPA or Attorney may meet this requirement by completing Part B below or providing a similar statement that is acceptable to FSA.</li> </ul>			
<b>PART B – CERTIFICATION BY INDIVIDUAL OR ENTITY</b>			
By signing this form: <ul style="list-style-type: none"> <li>I acknowledge the average AGI for the applicable program year exceeds the \$900,000 statutory AGI limitation for the individual or legal entity identified in item 3.</li> <li>I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li> <li>I certify that all information contained in a certification from a CPA or attorney is true and correct, and is consistent with the tax returns filed with the IRS for myself or the legal entity that is seeking to qualify for program benefits subject to a certification of farm income;</li> <li>I acknowledge that failure to provide the certification referenced in Part A to FSA will result in being ineligible for the applicable program benefit;</li> <li>I certify that I am authorized under applicable state law to sign this certification on behalf of the legal entity identified in Item 3 (for legal entity only).</li> </ul>			
6. Signature (By)		7. Title/Relationship of the Individual if Signing in a Representative Capacity	8. Date (MM-DD-YYYY)
[Redacted]		[Redacted]	[Redacted]
<b>PART C – CERTIFICATION BY CERTIFIED PUBLIC ACCOUNTANT / ATTORNEY</b>			
By signing this form: <ul style="list-style-type: none"> <li>I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li> <li>I certify the producer identified in Items 3 and 4 has met the minimum requirements specified in Part A for the program year identified in Item 1.</li> </ul>			
9. Signature	10. Title (CPA/Attorney)	11. State/License Number	12. Date (MM-DD-YYYY)
[Redacted]	[Redacted]	[Redacted]	[Redacted]
<p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-3339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</small></p>			

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\*--489 Special AGI Provisions (Continued)

C Forms for Special AGI Provisions (Continued)

Following is an example of FSA-896.--\*

This form is available electronically.		OMB Expiration Date: 03/31/2022	
<b>FSA-896</b> (09-11-19)		U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	
<b>REQUEST FOR AN EXCEPTION TO THE                  WHIP+ PAYMENT LIMITATION OF \$125,000</b>		1. Return completed form to (Name and address of FSA county office or USDA Service Center)	
<p><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 760, subpart O; and the Additional Supplemental Appropriations for Disaster Relief Act, 2019 (Disaster Relief Act) (Pub. L. 116-20). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, tribal agencies, and nongovernment entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated).</p> <p><b>Public Burden Statement (Paperwork Reduction Act):</b> Public reporting burden for this collection is estimated to average 5 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p>			
2. Name and Address of Individual or Legal Entity (Including Zip Code) (If general partnership or joint venture, complete only for each member)		3. Taxpayer Identification Number (TIN) (Social Security Number for Individual; or Employer Identification Number for Legal Entity)	
<b>PART A – REQUIREMENTS FOR WHIP PAYMENT LIMITATION EXCEPTION</b>			
4. WHIP+ payments received directly or indirectly by an individual or a legal entity are subject to a \$125,000 payment limitation for all crop years 2018, 2019 and 2020. An exception to the \$125,000 payment limitation is available in which case WHIP+ payments are subject to a \$250,000 payment limitation per crop year not to exceed \$500,000, but only if both of the following conditions are met:			
<ul style="list-style-type: none"> <li>• at least 75% of the individual's or legal entity's average adjusted gross income (AGI) for the 3 taxable years 2017, 2016 and 2015 was derived from farming, ranching or forestry operations.</li> <li>• a certification from a licensed CPA or an attorney is submitted to the FSA/USDA Service Center identified in item 1, attesting that at least 75% of the individual's or legal entity's average AGI for the 3 taxable years 2017, 2016 and 2015 was derived from farming, ranching, or forestry operations. The CPA and/or Attorney may meet this requirement by completing Part C below or providing a similar statement that is acceptable to FSA.</li> </ul>			
Based on the above statements, select the applicable box below:			
4A. <input type="checkbox"/> <b>YES</b> (Requesting \$250,000 Payment Limitation per Crop Year, not to exceed \$500,000)    4B. <input type="checkbox"/> <b>NO</b> (Payment limitation is \$125,000 for crop years 2018, 2019 and 2020)			
<b>PART B – CERTIFICATION BY INDIVIDUAL OR ENTITY</b>			
By signing this form:			
<ul style="list-style-type: none"> <li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this</li> <li>- I certify, if required, that all information contained in a certification from a CPA or an attorney is true and correct, and is consistent with the tax returns filed with the IRS for myself or the legal entity that is seeking participation in WHIP+;</li> <li>- I acknowledge if required, that failure to provide the certification described in this FSA - 896 to FSA will result in a \$125,000 WHIP + payment limitation</li> <li>- I certify that I am authorized under applicable state law to sign this certification on behalf of the legal entity identified in item 2 (for legal entity only).</li> </ul>			
5. Signature (By)		6. Title/Relationship of the Individual if Signing in a Representative Capacity for a Legal Entity	7. Date (MM-DD-YYYY)
<b>PART C – CERTIFICATION BY CERTIFIED PUBLIC ACCOUNTANT / ATTORNEY</b>			
By signing this form:			
<ul style="list-style-type: none"> <li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this</li> <li>- I certify the producer identified in item 2 and TIN in Item 3 has met the minimum requirements to be eligible for \$250,000 Payment Limitation under WHIP+ as specified in Part A above</li> </ul>			
8. Signature	9. Title (CPA/Attorney)	10. State/License Number	11. Date (MM-DD-YYYY)
<p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</small></p>			



\*--489 Special AGI Provisions (Continued)

C Forms for Special AGI Provisions (Continued)

Following is an example of CCC-942.--\*

This form is available electronically. <b>CCC-942</b> U.S. DEPARTMENT OF AGRICULTURE (08-12-20) Commodity Credit Corporation		OMB No. 0560-0293 OMB Expiration Date: 04/30/2022	
<b>CERTIFICATION OF INCOME FROM FARMING,                  RANCHING AND FORESTRY OPERATIONS</b>		1. PROGRAM YEAR:  2. Return completed form to (Name and address of FSA county office or USDA Service Center):	
<p><b>NOTE:</b> The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is Sec. 5 of the Commodity Credit Corporation Act [15 U.S.C. 714 et seq]. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, tribal agencies, and nongovernment entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated).</p> <p><b>Public Burden Statement (Paperwork Reduction Act):</b> Public reporting burden for this collection is estimated to average 5 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p>			
3. Name and Address of Individual or Legal Entity (Including Zip Code) (If general partnership or joint venture, complete only for each member)		4. Last (4) Digits - Taxpayer Identification Number (TIN) (Social Security Number for Individual; or Employer Identification Number for Legal Entity)	
<b>PART A – CERTIFICATION OF FARM INCOME</b>			
5. Individuals and Legal Entities exceeding the \$900,000 AGI limitation may otherwise qualify for certain program benefits, when the program authorizes the individual or legal entity to qualify based on following conditions: <ul style="list-style-type: none"> <li>• at least 75 percent of the individual's or legal entity's average adjusted gross income (AGI) for the 3 taxable years preceding the most immediately preceding complete taxable year was derived from farming, ranching or forestry operations. For example, if the program year is 2019, then the 3-year period for the calculation will be the taxable years of 2017, 2016 and 2015.</li> <li>• a certification from a licensed CPA or an attorney is submitted to the FSA/USDA Service Center identified in Item 2, attesting that at least 75 percent of the individual's or legal entity's average AGI for the 3 taxable years preceding the most immediately preceding complete taxable year was derived from farming, ranching, or forestry operations. The CPA or Attorney may meet this requirement by completing Part C below or providing a similar statement that is acceptable to FSA.</li> </ul>			
<b>PART B – CERTIFICATION BY INDIVIDUAL OR ENTITY</b>			
By signing this form: <ul style="list-style-type: none"> <li>- I acknowledge the average AGI for the applicable program year exceeds the \$900,000 statutory AGI limitation for the individual or legal entity identified in Item 3.</li> <li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li> <li>- I certify that all information contained in a certification from a CPA or attorney is true and correct, and is consistent with the tax returns filed with the IRS for myself or the legal entity that is seeking to qualify for program benefits subject to a certification of farm income;</li> <li>- I acknowledge that failure to provide the certification referenced in Part A to FSA will result in being ineligible for the applicable program benefit;</li> <li>- I certify that I am authorized under applicable state law to sign this certification on behalf of the legal entity identified in Item 3 (for legal entity only).</li> </ul>			
6. Signature (By)		7. Title/Relationship of the Individual if Signing in a Representative Capacity	8. Date (MM-DD-YYYY)
<b>PART C – CERTIFICATION BY CERTIFIED PUBLIC ACCOUNTANT / ATTORNEY</b>			
By signing this form: <ul style="list-style-type: none"> <li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li> <li>- I certify the producer identified in Items 3 and 4 has met the minimum requirements specified in Part A for the program year identified in Item 1.</li> </ul>			
9. Signature		10. Title (CPA/Attorney)	11. State/License Number
12. Date (MM-DD-YYYY)			
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.			
Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.			
To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410, (2) fax: (202) 690-7442, or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a> . USDA is an equal opportunity provider, employer, and lender.			

\*--489 Special AGI Provisions (Continued)

C Forms for Special AGI Provisions (Continued)

Following is an example of FSA-510.

**Note:** Authority for collecting data on FSA-510 is provided in Disaster Relief Supplement Appropriations Act, 2022 and Federal Register Notice of Funding Availability.--\*

OMB No. 0560-0307 OMB Expiration Date: 10/31/2022	
<b>FSA-510</b> 04-04-22  U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency  <b>REQUEST FOR AN EXCEPTION TO THE \$125,000 PAYMENT LIMITATION FOR CERTAIN PROGRAMS</b>	1. Return completed form to: (Name and address of FSA county office or USDA Service Center)
<p><b>NOTE:</b> <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is the Disaster Relief Supplemental Appropriations Act, 2022 (Extending Government Funding and Delivering Emergency Assistance Act) (Pub. L. 117-43) and regulations and Federal Register Notices of Funding Availability for applicable programs. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, tribal agencies, and nongovernment entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated).</i></p> <p><b>Public Burden Statement (Paperwork Reduction Act):</b> <i>Public reporting burden for this collection is estimated to average 5 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</i></p>	
2. Name and Address of Individual or Legal Entity (Including Zip Code) (If general partnership or joint venture, complete only for each member)	3. Taxpayer Identification Number (TIN) (Social Security No., for Individual; or Employer Identification No., for Legal Entity)
<b>PART A REQUIREMENTS FOR PAYMENT LIMITATION EXCEPTION FOR CERTAIN PROGRAMS</b>	
4. Disaster relief programs implemented pursuant to Public Law 117-43, Division B, Title I, are subject to a \$125,000 payment limitation per person or legal entity. An exception to the \$125,000 payment limitation is available but only if both of the following conditions are met: <ul style="list-style-type: none"> <li>• at least 75% of the individual's or legal entity's average adjusted gross income (AGI) for the 3 applicable taxable years was derived from farming, ranching or forestry operations.</li> <li>• a certification from a licensed CPA or an attorney is submitted to the FSA/USDA Service Center identified in item 1, attesting that at least 75% of the individual's or legal entity's average AGI for the 3 applicable taxable years was derived from farming, ranching, or forestry operations. The CPA and/or Attorney may meet this requirement by completing Part C below or providing a similar statement that is acceptable to FSA.</li> </ul> <p style="margin-left: 20px;">Based on the above statements, complete 4A and select the applicable box 4B or 4C below:</p> 4A. <b>20</b> Enter the program year for which program benefits are requested. The period for calculation of the average farm AGI will be the three taxable years preceding the most immediately preceding complete taxable year for which benefits are requested. For example, the 3-year period for the calculation of the average farm AGI for 2022 would be the taxable years of 2020, 2019 and 2018.	
4B. <input type="checkbox"/> <b>YES</b> the individual or legal entity in item 2 meets both of the above conditions and is requesting the exception to the Payment Limitation; <b>OR</b>	
4C. <input type="checkbox"/> <b>NO</b> the individual or legal entity in item 2 does not meet one or both of the above conditions (Payment limitation is \$125,000)	
<b>PART B CERTIFICATION BY INDIVIDUAL OR ENTITY</b>	
By signing this form: <ul style="list-style-type: none"> <li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li> <li>- I certify, if applicable, that all information contained in any certification from a CPA or an attorney submitted to FSA as described in this FSA-510 is true and correct, and is consistent with the tax returns filed with the IRS for myself or the legal entity that is seeking participation in an applicable program;</li> <li>- I acknowledge that failure to provide the certification described in this FSA-510 to FSA will result in the application of a \$125,000 payment limitation;</li> <li>- I certify that I am authorized under applicable state law to sign this certification on behalf of the legal entity identified in Item 2 (for legal entity only).</li> </ul>	
5. Signature (By)	6. Title/Relationship of the Individual if Signing in a Representative Capacity for a Legal Entity
7. Date (MM-DD-YYYY)	
<b>PART C CERTIFICATION BY CERTIFIED PUBLIC ACCOUNTANT / ATTORNEY</b>	
By signing this form: <ul style="list-style-type: none"> <li>- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;</li> <li>- I certify the producer identified in Item 2 and TIN in Item 3 has met the minimum requirements to be eligible for the exception to the Payment Limitation as specified in Part A above.</li> </ul>	
8. Signature	9. Title (CPA/Attorney)
10. State/License Number	11. Date (MM-DD-YYYY)
DATE STAMPED	

\*--489 Special AGI Provisions (Continued)

C Forms for Special AGI Provisions (Continued)--\*

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**GENERAL INFORMATION ON PAYMENT LIMITATIONS**

For programs authorized by Public Law 117-43, Division B, Title I, individuals or legal entities (other than general partnerships and joint ventures) that receive applicable payments, directly or indirectly, cannot receive payments exceeding the applicable limitation per program per year. Payments made, directly or indirectly, to an individual or a legal entity (other than general partnerships and joint ventures), or its members cannot exceed the applicable payment limitation per program per year, as applicable. If payments received, directly or indirectly, by a member of a legal entity receiving such payments reach the applicable payment limitation(s), payments to the legal entity will be reduced in proportion to that member's direct or indirect ownership share in the legal entity.

All members of legal entities requesting to receive payment(s) from applicable programs, directly or indirectly, in excess of the \$125,000 payment limitation per program per year must also complete this form and provide the required certification from a CPA or attorney.

**HOW TO DETERMINE ADJUSTED GROSS INCOME**

**Adjusted Gross Income (AGI)** is the individual's or legal entity's IRS-reported adjusted gross income or equivalent (see below) consisting of both farm and nonfarm income.

**Individual** – Internal Revenue Service (IRS) Form 1040 filers, specific lines on that form represent the adjusted gross income

**Trust or Estate** – the adjusted gross income equivalent is the total income and charitable contributions reported to IRS

**Corporation** – the adjusted gross income equivalent is the total of the final taxable income and any charitable contributions reported to IRS

**Limited Partnership (LP), Limited Liability Company (LLC), Limited Liability Partnership (LLP) or Similar Entity** – the adjusted gross income is the total income from trade or business activities plus guaranteed payments to the members as reported to the IRS

**Tax-exempt Organization** – the adjusted gross income is the unrelated business taxable income excluding any income from non-commercial activities as reported to the IRS.

**HOW TO DETERMINE INCOME FROM FARMING, RANCHING, AND FORESTRY OPERATIONS**

**Income received or obtained from the following sources:**

Productions of crops, specialty crops, and raw forestry products.	Feeding, rearing, or finishing of livestock.
Production of livestock, aquaculture products used for food; honeybees; and products produced by or derived from livestock.	Payments of benefits, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans.
Production of farm-based renewable energy.	Sale of land that has been used for agricultural purposes.
Sale, including easements and development rights, of farm, ranch, and forestry land, water or hunting rights, or environmental benefits.	Payments and benefits authorized under any program made available and applicable to payment eligibility and payment limitation rules.
Rental or lease of land or equipment used for farming, ranching, or forestry operations, including water or hunting rights.	Any other activity related to farming, ranching, and forestry, as determined by the Deputy Administrator of Farm Programs.
Processing, packing, storing, and transportation of farm, ranch, forestry commodities including renewable energy.	Any income reported on Schedule F or other schedule used by the person or legal entity to report income from such operations to the IRS.
Beginning in program year 2020, wages or dividends received from a "closely held" corporation, an IC-DISC or a legal entity comprised entirely of family members may be considered farm income when the legal entity is "materially participating" in farming, ranching, or forestry activities. "Materially participating" means more than 50 percent of the legal entity's gross receipts for each tax year are derived from farming, ranching, or forestry sources. A representative must attach a certification to form FSA-510 attesting that the legal entity "materially participates" in a farm, ranch, or forestry activity.	

**HOW TO DETERMINE PERCENTAGE OF AVERAGE AGI FROM FARMING, RANCHING, AND FORESTRY OPERATIONS**

- 1) Determine the total AGI and the total income from farming, ranching, and forestry for each of the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested.
- 2) Total the AGI (both farm and nonfarm income) from all 3 years.
- 3) Total the income from farming, ranching and forestry from all 3 years.
- 4) Calculate the percentage of average adjusted gross farm income by dividing the result of step 3 by the result of Step 2. The percentage calculated must be equal to, or greater than 75 percent to qualify for program benefits

This form can only be signed by the individual authorized under state law to sign this consent for the legal entity identified in Item 2.

**INSTRUCTIONS FOR COMPLETION OF FSA-510**

Item No./Field Name	Instruction
1. Return Completed Form To	Enter the name and address of the FSA county office or USDA service center where the completed FSA-510 will be submitted.
2. Person or Legal Entity's Name and Address	Enter the individual's or legal entity's name and address.
3. Taxpayer ID Number	In the format provided, enter the complete taxpayer identification number of the individual or legal entity identified in Item 2. This will be either a Social Security Number or Employer Identification Number.
4. Payment Limitation Exception	Complete 4A by entering the program year for which the FSA-510 is being completed and select the appropriate check box – 4B if the applicant is requesting the exception to the \$125,000 payment limitation and meets the criteria. Or 4C if the applicant does not meet the requirements for the exception and/or does not want the applicable increased payment limitation.
5. Signature	Read the acknowledgments, responsibilities and authorizations, before signing. (INDIVIDUAL OR ENTITY)
6. Title/Relationship	Enter title or relationship to the legal entity identified in Item 2.
7. Date	Enter the signature date in month, day and year.
8. Signature	Read the acknowledgments, responsibilities and authorizations, before signing. (CPA or Attorney Only)
9. Title	Identify as applicable Certified Public Accountant (CPA) or Attorney
10. State/License No.	Enter applicable State you are licensed to practice in, followed by your associated individual license number.
11. Date	Enter the signature date in month, day and year.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9982. Submit your completed form or letter to USDA by (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

\*--489 Special AGI Provisions (Continued)

**D Definition of Average Farm AGI--\***

Average farm AGI of a person or legal entity means income or benefits derived from the following sources.

Income Related to Livestock and Crops	Other Types of Income
Production of livestock, including but not limited to: <ul style="list-style-type: none"> <li>• cattle, sheep, goats, swine</li> <li>• elk, reindeer, bison, deer</li> <li>• horses</li> <li>• poultry</li> <li>• fish and other aquaculture products used for food</li> <li>• honeybees.</li> </ul>	The sale of land that has been used for agriculture. The sale of easements and development rights to: <ul style="list-style-type: none"> <li>• farmland, ranchland, or forestry land</li> <li>• water or hunting</li> <li>• environmental benefits.</li> </ul>
The feeding, rearing, or finishing of livestock.	The rental or lease of land or equipment used for farming, ranching, or forestry operations, including water or hunting rights.
Products produced by or derived from livestock.	
Production of crops, specialty crops, and unfinished raw forestry products.	Any payment or benefit, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans.
The processing, packing, storing, shedding, and transporting of farm, ranch, and forestry commodities, including renewable energy.	Payments and benefits authorized under any program made applicable to payment eligibility and payment limitation rules.
	Production of farm-based renewable energy.
Any other activity related to farming, ranching, or forestry as determined by the Deputy Administrator.	
Any income reported on IRS Schedule F or other schedule used by the person or legal entity to report income from farming, ranching, or forestry operations to IRS.	
The sale of equipment used to conduct farm, ranch, or forestry operations and the provision of production inputs and services to farmers, ranchers, foresters, and farm operations, if the average farm AGI is <b>at least</b> 66.66 percent of the average AGI.	
Beginning in program year 2020, wages or dividends received from a “closely held” corporation IC-DISC, or legal entity comprised entirely of family members may be considered farm income when the legal entity is “materially participating” in farming, ranching, or forestry activities. “Materially participating” means more than 50 percent of the legal entity’s gross receipts for each tax year are derived from farming, ranching, or forestry sources. A representative of the legal entity must attach a certification to CCC-942 and/or FSA-510 attesting that the legal entity “materially participates” in a farm, ranch, or forestry activity.	

**\*--489 Special AGI Provisions (Continued)****E Definition of Income From Fishing--\***

Income from fishing means income derived from catching, taking, harvesting, cultivating, or farming aquatic resources, such as fish, shellfish, crustacea, and other aquatic forms of animal or vegetable life, according to IRS Publication 595 or other applicable IRS instructions.

**F Sources of Income Data**

Income from farming, ranching, forestry operations, and related activities is:

- recorded on the IRS Schedule F, IRS Form 4835, or comparable form
- any other schedule as allowed by applicable IRS tax code to report farming, ranching, forestry operations, and related activity income
- reflected in and attached to IRS Form 1040 or other appropriate IRS income tax return filed by the person or legal entity with the IRS for tax purposes.

Income from fishing is:

- recorded on IRS Schedule C, or Schedule C-EZ, as allowed by applicable IRS tax code
- reflected in and attached to IRS Form 1040 or other appropriate IRS income tax return filed by the person or legal entity for IRS tax purposes.

**G Source of Income**

Pass-through income received by a person from an interest held in a legal entity may be considered income from farming, ranching, or forestry if all of the following are met:

- the legal entity is a subchapter-S corporation or similar legal entity in which all the income passes through to the interest holders
- a person who is an interest holder reports income received from the legal entity as income from farming, ranching, or forestry to the IRS
- the legal entity is primarily engaged in farming, ranching, or forestry activities.



## \*--489 Special AGI Provisions (Continued)

**H Wages and Dividends--\***

Beginning in program year 2020, wages or dividends may be considered income from farming, ranching, or forestry only **if** received from any of the following legal entities.

- IC-DISC materially participating in a farming, ranching, or forestry activity. The dividend must be derived from sources identified to be from farming, ranching, or forestry.

**Note:** IC-DISC is a domestic corporation that has elected to be IC-DISC according to IRS code. The corporation must be organized under the laws of a State and must meet specific IRS requirements to qualify as IC-DISC. The IC-DISC dividend is derived from the sale of exported products. Special provisions in the tax code reclassifies the income from ordinary income to dividends to obtain a preferential capital gains tax rate on the income. This provision in the tax code was enacted to make U.S. exporters competitive with other countries that had much lower corporate tax rates.

- A “closely held” legal entity materially participating in a farming, ranching, or forestry activity.

**Note:** A “closely held” legal entity is described as owned, directly or indirectly, by 5 or fewer individual persons holding more than 50 percent ownership interest in the legal entity structure.

**Example:** ABC corporation is comprised of 100 stockholders. Five or fewer stockholders must own more than 50 percent of ABC Corporation (directly or indirectly) to be considered a “closely held” legal entity.

- A legal entity comprised entirely of family members as described in 5-PL, paragraph 213, when the legal entity is materially participating in a farming, ranching, or forestry activity.

Materially participating means more than 50 percent of the legal entity’s gross receipts for each tax year in the 3-year period used to compute the average farm AGI are derived from farming, ranching, or forestry sources described in 5-PL, paragraph 312.

The producer **must** provide the legal entity’s name and TIN from which the wage or dividend is received. An authorized representative of the legal entity **must** provide a signed statement attesting that the legal entity materially participated in a farming, ranching, or forestry activity in each of the 3 years used to compute the average farm AGI.

**Example:** “I, [First Name Last Name], am an authorized representative of [Name of Legal Entity] and certify that more than 50% of the corporate’s annual gross receipts are derived from farming, ranching, or forestry activities for each year in the 3-year base period used to calculate the farm AGI. [signature, date]”

**Note:** The certification must be attached to CCC-942 and/or FSA-510, as applicable.

\*--489 Special AGI Provisions (Continued)

**I Formula for Calculating Average Farm AGI--\***

Farm AGI is not the same as the gross farm income reported to IRS. Farm AGI for FSA purposes is comparable to the net income from farming and related operations. In many cases, this may be the same as the “Net Farm Profit” or “Loss” determined on Schedule F of IRS Form 1040.

FSA’s definition of “average farm AGI” also includes income from the sale of items such as agricultural related land, breeding livestock, and agricultural/conservation easements.

Additionally, it is important to consider if income was received from the sale of farm-related equipment and/or if income was received from the sale of production inputs and services before answering this question. Usually, income from these items is not considered farm income. However, if the income from farming is at least 66.66 percent of the total AGI from all sources, both farm income and nonfarm income, a special rule applies and income from these items **must** be included in the farm AGI.

Worksheet											
Step	Action	Result									
1	Enter the total AGI (both nonfarm and farm) for the 3 complete taxable years preceding the most immediately preceding complete taxable year of the year for which program benefits are requested.  <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; text-align: center;"><b>Year</b></td> <td style="width: 33%; text-align: center;"><b>\$ Amount</b></td> <td style="width: 33%; text-align: center;"><b>Specify Where Information Was Obtained (i.e. IRS Form 1040, Line 37)</b></td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> </table>	<b>Year</b>	<b>\$ Amount</b>	<b>Specify Where Information Was Obtained (i.e. IRS Form 1040, Line 37)</b>	_____	_____	_____	_____	_____	_____	
<b>Year</b>	<b>\$ Amount</b>	<b>Specify Where Information Was Obtained (i.e. IRS Form 1040, Line 37)</b>									
_____	_____	_____									
_____	_____	_____									
2	Total the dollar amounts from step 1.	\$									
3	Calculate the <b>average AGI</b> by dividing the result of step 2 by the number of years in step 1.	\$									
4	Enter AGI for the same 3 years in step 1 that was derived from all activities related to farming, ranching, and forestry operations.  <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; text-align: center;"><b>Year</b></td> <td style="width: 33%; text-align: center;"><b>\$ Amount</b></td> <td style="width: 33%; text-align: center;"><b>Specify Where Information Was Obtained (i.e. IRS Form 1040, Line 37)</b></td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> </table>	<b>Year</b>	<b>\$ Amount</b>	<b>Specify Where Information Was Obtained (i.e. IRS Form 1040, Line 37)</b>	_____	_____	_____	_____	_____	_____	
<b>Year</b>	<b>\$ Amount</b>	<b>Specify Where Information Was Obtained (i.e. IRS Form 1040, Line 37)</b>									
_____	_____	_____									
_____	_____	_____									
5	Total the dollar amounts in step 4.	\$									
6	Calculate the <b>average farm AGI</b> by dividing the result of step 5 by the number of years in step 4.	\$									
7	Divide the amount from step 6 by the amount in step 3 to obtain the percentage of AGI that is derived from farming ranching and forestry operations.  <b>Note:</b> This percentage must be 75 percent or more to qualify for benefits from programs subject to the calculation.	%									

\*--489 Special AGI Provisions (Continued)

**I Formula for Calculating Average Farm AGI (Continued)--\***

Step	Action	Result									
8	<p>If the result of step 7 is 66.66 percent or more, and AGI derived from equipment sales and input services are not already included in steps 4, 5, and 6, enter the total AGI derived from equipment sales and input services for the same 3 years in step 1.</p> <p style="text-align: right;"><b>Specify Where Information Was Obtained (i.e. IRS Form 1040, Line 37)</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 20%;"><b>Year</b></td> <td style="width: 20%;"><b>Amount</b></td> <td style="width: 60%;"></td> </tr> <tr> <td>_____</td> <td>\$ _____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </table>	<b>Year</b>	<b>Amount</b>		_____	\$ _____	_____	_____	_____	_____	
<b>Year</b>	<b>Amount</b>										
_____	\$ _____	_____									
_____	_____	_____									
9	Total the dollar amounts in step 8.	\$									
10	Calculate the average AGI from equipment sales and input services by dividing the result of step 8 by the number of years in step 1.	\$									
11	If step 6 does not already include AGI derived from equipment sales and input services in steps 4 and 5, calculate the <b>average farm AGI</b> including equipment sales and input services by adding the result of step 10 to step 6.										
12	Calculate the <b>percentage of the average farm AGI from the average AGI</b> by dividing the result of step 11 by the result of step 3 and multiply by 100.	%									

**J CPA/Attorney Certification Requirements**

Persons, legal entities (including members, stockholder, or partners) and members of joint operations seeking to qualify for program benefits subject to a calculation of the 75 percent AGI derived from farming, ranching and forestry operations must provide a certification from a licensed CPA or attorney affirming the calculation.

Certifications from a licensed CPA or attorney may be provided to FSA by either of the following:

- signing a specific form developed for the program
- a written statement affirming the person or legal entity’s percent of AGI from farming ranching and forestry operations.

CPA or attorney statements must contain all required elements as outlined in the AGI Enclosure 1 found in subparagraph 468 E.

**K Recording 75 Percent Farm AGI Certifications**

Record certifications in the Subsidiary web application according to 3-PL (Rev. 2) only after the producer has completed the applicable form **and** either the CPA or attorney’s signature has been provided on the form or a written certification statement from the CPA or attorney has been received.

\*--489 Determining 75 Percent Average Farm AGI (Continued)

**L Example of CPA/Attorney Certification Statement--\***

The following is an example of a CPA/attorney certification statement.

<p><i>[Insert Name]</i>  <i>[Insert street and/or mailing address]</i>  <i>[Insert city, State ZIP Code]</i></p>
<p><i>[insert date]</i></p>
<p><i>[insert State Office name]</i>  <i>[insert street and/or mailing address]</i>  <i>[insert city, State ZIP Code]</i></p>
<p>I, <b>[insert name]</b>, am <i>[insert “a certified public accountant (CPA)” or “an attorney” as appropriate]</i> practicing in <i>[insert city, State]</i>. My license identification number is <i>[insert license number]</i> in <i>[State]</i>.</p>
<p>I have been asked by <i>[insert name of producer]</i> to certify that <i>[insert name of producer]</i>'s average AGI from farming, ranching and forestry operations is 75% or more of the total AGI as reported to IRS.</p>
<p>For purposes of this letter and my representations below, my “certification” is limited only to my knowledge of <i>[insert name of producer]</i> federal income tax returns based upon either my preparation of such returns or my readings of those returns that I did not prepare. The preparation or review of these returns was based upon the information provided by <i>[insert name of producer]</i>. <i>[insert name of producer]</i> has represented to me that the information supplied to me is, to the best of <i>[his/her/its]</i> knowledge, true, correct, and complete. In accordance with Treasury Department Circular No. 230, section 10.34 (d), I relied in good faith without verification upon the information provided by <i>[insert name of producer]</i>; however, I did not ignore the implications of information furnished to, or actually known by me, and I made reasonable inquiries if the information as furnished appeared to be incorrect, inconsistent with an important fact or another factual assumption, or was incomplete. This “certification” does not include any representations or assurances as to the accuracy or completeness of the information contained in <i>[insert name of producer]</i> federal income tax returns or imply that I have performed procedures beyond those required under Circular No. 230. In addition, this “certification” does not include any representations or assurances as to the accuracy or completeness of the information contained in <i>[insert name of producer]</i> federal income tax returns that I did not prepare.</p>
<p>I acknowledge that I have read, understand, and agree to the terms and conditions of the AGI Enclosure 1 with the following conditions.</p>
<ul style="list-style-type: none"> <li>• I am relying on the information made known to me as noted above. I take no responsibility for information outside of the tax return preparation process, unless I relied upon outside information as noted in the end of this prepared statement or attachment.</li> <li>• I have not been engaged to continually monitor the tax law for this client or to continually monitor factors related to the client’s AGI or other tax calculations for the relevant years. Therefore, I am not in a position to notify the government of changes to facts or circumstances (whether or not material) that would make this certification no longer</li> </ul>

\*--489 Determining 75 Percent Average Farm AGI (Continued)

**L Example of CPA/Attorney Certification Statement (Continued)--\***

- Under Internal Revenue Code Section 7216 and other confidentiality standards, I may only provide client information upon specific written authorization from the client to release such information, including tax return information, to a third party.

The following are correct statements:

- Based on a representation provided by [*insert name of producer*], or the confirmations of [*his/her/its*] e-filed federal income tax returns [*insert the applicable tax return form number*], the [*enter the applicable 3-year period i.e. 2015, 2016, and 2017 (for 2019)*] federal income tax returns were timely filed.
- I am not aware of subsequently filed federal income tax returns, whether superseding or amended, other than those identified above related to the tax years identified above.
- I am not aware of any adjustments made by the Internal Revenue Service or any state taxing authority to the federal income tax returns identified above.
- I understand that the average adjusted gross income means the adjusted gross income as defined under 26 U.S.C. 62, or comparable measure, of the person or legal entity over the 2013, 2014, and 2015 tax years.
- According to the most recent returns filed for the years identified above, [*insert name of producer*]:

- o reported average AGI was at least 75 percent derived from farming, ranching, or forestry based on the tax returns for the 3 applicable tax years.

yes  
 no

I declare that the statements made herein, to the best of my knowledge and belief, are true, correct, and complete.

Signed

[*insert name of CPA or attorney, as applicable*], [*insert title, "CPA" or "Attorney", as applicable*]

Dated: [*insert date*]

**\*--490 Average Gross Income Provisions**

**A Average Gross Income Provisions Based on Farm Income**

The American Relief Act, 2025 (Pub. L. 118-158) established an income test based on average gross income. Gross income, as defined under 26 U.S.C. 61, means in general, all income from whatever source derived. This is often expressed as “Total Income” on IRS forms and is income before adjustments or deductions. See Exhibit 25 for additional information.

Certain FSA programs make exceptions to the basic eligibility requirements or allow for expanded payment limitation when a participant’s average gross income for the applicable period is at least 75 percent from farming, ranching, or forestry operations.

The following exceptions apply based on the participant’s average total income for the applicable period being 75 percent from farming.

<b>Program</b>	<b>Farm Income Applicability</b>	<b>Form</b>
2024 ECAP	Exception to \$125,000 Payment Limitation, Increased to \$250,000	CCC-943

**Note:** See Exhibit 26 for additional information on CCC-943.

Any exception listed in this table is applicable only to the filer of the applicable form for which the exception is being sought.

**Example:** Corporation A, owned solely by Individual A, files CCC-943 indicating 75 percent of its average total income was from farming for expanded payment limitation for ECAP. The corporation’s payment limitation for ECAP is increased. However, the payment limitation for Individual A is not increased unless Individual A also files CCC-943 indicating 75 percent of Individual A’s average gross income is from farming.--\*

**\*--490 Average Gross Income Provisions (Continued)****B Definition of Average Gross Income From Farming**

Average gross income (total income) from farming of a person or legal entity means the income or benefits derived from the following sources.

**C EA, CPA, and Attorney Certification Requirements**

Persons, legal entities (including members, stockholder, or partners) and members of joint operations seeking to qualify for program benefits subject to a calculation of the 75 percent gross income derived from farming, ranching, and forestry operations must provide a certification from an EA properly admitted to practice before the IRS, licensed CPA, or attorney affirming the calculation.

Certifications from an EA, licensed CPA, or attorney may be provided to FSA by either of the following:

- signing a specific form developed for the program
- a written statement affirming the person or legal entity's percent of gross income from farming ranching and forestry operations.

EA, CPA, or attorney statements must contain all required elements as outlined in the AGI Enclosure 1 found in subparagraph 468 E.

**D Recording 75 Percent Gross Income From Farming Certifications**

Record certifications in the Subsidiary web application according to 3-PL (Rev. 2) only after the producer has completed the applicable form **and** either the EA, CPA, or attorney's signature has been provided on the form or a written certification statement from the EA, CPA, or attorney has been received.--\*

**\*--490 Average Gross Income Provisions (Continued)****E Example of EA, CPA, or Attorney Certification Statement**

The following is an example of an EA, CPA, or attorney certification statement.

<p><i>[Insert Name]</i>  <i>[Insert street and/or mailing address]</i>  <i>[Insert city, State ZIP Code]</i></p>
<p><i>[insert date]</i></p>
<p><i>[insert State Office name]</i>  <i>[insert street and/or mailing address]</i>  <i>[insert city, State ZIP Code]</i></p>
<p>I, <b>[insert name]</b>, am <i>[insert “an enrolled agent (EA)”, “a certified public accountant (CPA)” or “an attorney” as appropriate]</i> practicing in <i>[insert city, State]</i>. My license identification number is <i>[insert license number]</i> in <i>[State]</i>.</p>
<p>I have been asked by <i>[insert name of producer]</i> to certify that <i>[insert name of producer]</i>'s average gross income from farming, ranching and forestry operations is 75% or more of the total income as reported to IRS.</p>
<p>For purposes of this letter and my representations below, my “certification” is limited only to my knowledge of <i>[insert name of producer]</i> federal income tax returns based upon either my preparation of such returns or my readings of those returns that I did not prepare. The preparation or review of these returns was based upon the information provided by <i>[insert name of producer]</i>. <i>[insert name of producer]</i> has represented to me that the information supplied to me is, to the best of <i>[his/her/its]</i> knowledge, true, correct, and complete. In accordance with Treasury Department Circular No. 230, section 10.34 (d), I relied in good faith without verification upon the information provided by <i>[insert name of producer]</i>; however, I did not ignore the implications of information furnished to, or actually known by me, and I made reasonable inquiries if the information as furnished appeared to be incorrect, inconsistent with an important fact or another factual assumption, or was incomplete. This “certification” does not include any representations or assurances as to the accuracy or completeness of the information contained in <i>[insert name of producer]</i> federal income tax returns or imply that I have performed procedures beyond those required under Circular No. 230. In addition, this “certification” does not include any representations or assurances as to the accuracy or completeness of the information contained in <i>[insert name of producer]</i> federal income tax returns that I did not prepare.</p>
<p>I acknowledge that I have read, understand, and agree to the terms and conditions of the AGI Enclosure 1 with the following conditions.</p>
<ul style="list-style-type: none"> <li>• I am relying on the information made known to me as noted above. I take no responsibility for information outside of the tax return preparation process, unless I relied upon outside information as noted in the end of this prepared statement or attachment.</li> <li>• I have not been engaged to continually monitor the tax law for this client or to continually monitor factors related to the client’s AGI or other tax calculations for the relevant years. Therefore, I am not in a position to notify the government of changes to facts or circumstances (whether or not material) that would make this certification no longer accurate.</li> </ul>
<p>Continued.</p>

--\*



\*--490 Average Gross Income Provisions (Continued)

E Example of EA, CPA, or Attorney Certification Statement (Continued)

I acknowledge that I have read, understand, and agree to, the terms and conditions of the enclosure (AGI enclosure 1) received by [insert name of producer] with the following conditions.

- I am relying on the information made known to me as noted above. I take no responsibility for information outside of the tax return preparation process, unless I relied upon outside information as noted in the end of this prepared statement or attachment for the purposes of explanation that [insert name of producer] complies with the applicable average AGI limitations.
- I have not been engaged to continually monitor the tax law for this client or to continually monitor factors related to the client’s AGI or other tax calculations for the relevant years. Therefore, I am not in a position to notify the government of changes to facts or circumstances (whether or not material) that would make this certification no longer accurate.
- Under Internal Revenue Code Section 7216 and other confidentiality standards, I may only provide client information upon specific written authorization from the client to release such information, including tax return information, to a third party.

The following are correct statements:

- Based on a representation provided by [insert name of producer], or the confirmations of [his/her/its] e-filed federal income tax returns [insert the applicable tax return form number], the [enter the applicable 3-year period i.e. 2020, 2021, and 2022 (for 2024)] federal income tax returns were timely filed.
- I am not aware of subsequently filed federal income tax returns, whether superseding or amended, other than those identified above related to the tax years identified above.
- I am not aware of any adjustments made by the Internal Revenue Service or any state taxing authority to the federal income tax returns identified above.
- I understand that the average gross income means the gross income as defined under 26 U.S.C. 61, or comparable measure, of the person or legal entity over the 2020, 2021, and 2022 tax years.
- According to the most recent returns filed for the years identified above, [insert name of producer]:
  - o reported average gross income was at least 75 percent derived from farming, ranching, or forestry based on the tax returns for the 3 applicable tax years.
    - \_\_\_yes
    - \_\_\_no

I declare that the statements made herein to the best of my knowledge and belief, are true, correct, and complete.

Signed

[insert name of EA, CPA or attorney, as applicable], [insert title]

Dated: [insert date]

--\*



## Reports, Forms, Abbreviations, and Redelegations of Authority

### Reports

None.

### Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-672	Reimbursement or Advance of Funds Agreement		Ex. 19
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		Ex. 19
CCC-501A	Member's Information		Ex. 16
CCC-501B	Designation of "Permitted Entities"		Ex. 16
CCC-502	Farm Operation Plan for Payment Eligibility Review for _____		Ex. 16
CCC-509	Direct and Counter-Cyclical Program (DCP) Contract and Average Crop Revenue Election (ACRE) Contract		3
CCC-526	Payment Eligibility Average Adjusted Gross Income Certification		470
CCC-526C	Payment Eligibility - Average Adjusted Gross Income Certification for Certain Conservation Reserve Program Contracts Approved Before October 1, 2008		470, Ex. 19
CCC-527	Request for Action for Subsidiary/Payment Limitation		20, 22
CCC-770 CPA	AGI Compliance Review Checklist CPA or Attorney Certification Statement	Ex. 24	485
CCC-770 CSCR	CPA or Attorney Average AGI Certification Statement Review Checklist	Ex. 24	485
CCC-770 TAX	AGI Compliance Review Checklist IRS Tax Information - Returns and Schedules	Ex. 24	485
CCC-900-1	Payment Eligibility/Limitation Selection, Notification, and Information Collection Checklist 1 (Effective for 2020 and Subsequent Years)	439	452, 453
CCC-900-2	Payment Eligibility/Limitation Documents Received From Producer Checklist 2 (Effective for 2020 and Subsequent Years)	439	452, 453
CCC-900-3	Payment Eligibility/Limitation Contribution Worksheet (Effective for 2020 and Subsequent Years)	439	452, 453
CCC-900-4	Payment Eligibility/Limitation Substantive Change and Other Determinations Worksheet (Effective for 2020 and Subsequent Years)	439	452, 453
CCC-900-5	Payment Eligibility/Limitation Summary of Findings and Recommendations (Effective for 2020 and Subsequent Years)	439	452, 453

## Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
CCC-901	Member's Information	113	Text, Ex. 16, 19
CCC-902	Farm Operating Plan		Text, Ex. 16, 19
Automated CCC-902	Farm Operating Plan for Payment Eligibility - 2014 and Subsequent Program Years	206, 208	63, 113
CCC-902 Continuation	Continuation Sheet for Leased or Owned Land (Attach to Form CCC-902I or CCC-902E)	224	60, 207, 225
CCC-902E	Farm Operating Plan for an Entity	224, 246, 260, 273, 288, 311, 323	Text
CCC-902E Continuation	Continuation Sheet for Farm Operating Plan for an Entity	225	63, 311
CCC-902FM	Request for Additional Farm Managers	244	240
CCC-902I	Farm Operating Plan for an Individual	205	63, 206, 207, 220
CCC-902MR	Management Activity Record	245	241, 391
CCC-902I Short Form	Farm Operating Plan for an Individual	207	63, 208, 220
CCC-903	Worksheet for Payment Eligibility and Payment Limitation Determinations	353	62, 63, 247, 338
CCC-904	Allocation of Payment Limitation Under Common Attribution		107
CCC-905	Worksheet for the Determination of Operational Complexity for Additional Farm Managers	244	240
CCC-926 <sup>1/</sup>	Average Adjusted Gross Income (AGI) Statement		470
CCC-931	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information		470, Ex. 16, 19
CCC-931C	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information (For Successors to Conservation Program Contracts and Agreements Only)		470, Ex. 16, 19
CCC-933	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information (For the 2013 crop, program, and fiscal years only.)		470, 478, Ex. 16, 19
CCC-941	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information	478	Text, Ex. 16, 19, 20, 22

<sup>1/</sup> Form is obsolete.

## Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
CCC-942	Certification of Income From Farming, Ranching and Forestry Operations	489	
CCC-943	75% of Average Gross Income From Farming, Ranching, or Forestry Certification	Ex. 26	36, 490
CRP-1	Conservation Reserve Program Contract		35, 468, 469, 470, Ex. 16
CRP-1F Addendum	CRP-1 Modification to Extend the Contract Expiration Date for _____ Years		Ex. 16
FSA-211	Power of Attorney		478
FSA-510	Request for an Exception to the \$125,000 Payment Limitation for Certain Programs		489
FSA-892	Request for an Exception to the 2017 WHIP Payment Limitation of \$125,000	489	
FSA-896	Request for an Exception to the WHIP+ Payment Limitation of \$125,000	489	
FSA-1123	Certification Of 2020 Adjusted Gross Income (AGI)		489
I-551	Permanent Resident Card/Resident Alien Card	335	113, 205, 207, 225, 311, 336, 337, Ex. 2
IRS Form 990	Return of Organization Exempt From Income Tax	Ex. 25	112
IRS Form 990-EZ	Short Form Return of Organization Exempt From Income Tax	Ex. 25	
IRS Form 990-T	Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))	Ex. 17, 25	472
IRS Form 1040	U.S. Individual Income Tax Return	Ex. 17, 18, 25	467, 468, 472, 486, 488, 489
IRS Form 1041	U.S. Income Tax Return for Estates and Trusts	Ex. 17, 25	472
IRS Form 1065	U.S. Return of Partnership Income	Ex. 18, 25	472, Ex. 17
IRS Form 1120	U.S. Income Tax Return for an S Corporation	Ex. 17, 18, 25	472
IRS Form 1120-S	U.S. Income Tax Return for an S Corporation	Ex. 17, 18, 25	472
IRS Notice 1398	UD Department of Agriculture Form CCC-941 Consent to Disclosure of Tax Information - Individual and Legal Entity	Ex. 21	477
IRS Form 2848	Power of Attorney and Declaration of Representative		478
IRS-3210	Document Transmittal	Ex. 20	477

## Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
IRS Form 4562	Depreciation and Authorization	Ex. 18	
IRS Form 4835	Farm Rental Income and Expenses		489

## Abbreviations Not Listed in 1-CM

The following abbreviations are **not** listed in 1-CM.

Approved Abbreviation	Term	Reference
AMA	Agricultural Management Assistance	36, 465, 466
ARC	Agricultural Risk Coverage	Text
AWEP	Agricultural Water Enhancement Program	466
CPA	Certified Public Accountant	Part 8, Ex. 24
CSP	Conservation Stewardship Program	36, 465, 466, 488
CSCR	Certification Statement Compliance Review	473.5, 473.6
CSCRT	Certification Statement Compliance Review Tracking	473.6
EA	Enrolled Agent	490, Ex. 26
ECAP	Emergency Commodity Assistance Program	36, 258, 310, 490
EIN	employer identification number	177, 220, 271, 284, 477, Ex. 2
EYR	end-of-year review	Text, Ex. 2
EYRT	end-of-year review tracking	414, 450-454, Ex. 2
IC-DISC	Interest Charge International Sales Corporation	489
IRA	individual retirement account	284, 285
IRDTS	Internal Review Document Tracking System	455-459
LLP	limited liability partnership	3, 63, 92, 258-260, 468, 472, Ex. 17
LP	limited partnership	3, 63, 257-260, 311, 472, Ex. 2, 17
MLG	marketing loan gain	3, 465, 488
MFP	Market Facilitation Program	465, 489
PLC	Price Loss Coverage	Text

## Delegations of Authority

This table lists delegations of authority in this handbook.

Delegation	Reference
Making Determination Decisions	23
Monitoring Determinations	23

## Definitions of Terms Used in This Handbook

### Active Personal Labor

Active personal labor means personally providing physical activities necessary in a farming operation. These activities include physical activities:

- involved in land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities

**Note:** In this context, marketing means the physical activities for hauling/transporting ag commodities to market.

- required to establish and maintain conserving cover crops or conserving use acreages
- required in livestock operations.

### Active Personal Management

Active personal management means personally providing:

- the general supervision and direction of activities and labor involved in the farming operation
- services, whether formed on-site or off-site, reasonably related and necessary to the farming operation, including any of the following:
  - supervision of activities necessary in the farming operation
  - business-related actions that include discretionary decision making
  - evaluation of the financial condition and needs of the farming operation
  - assistance in structuring or preparing financial reports or analyses for the farming operation
  - consultations in or structuring of business-related financing arrangements for the farming operation
  - marketing and promoting agricultural commodities produced by the farming operation
  - acquiring technical information used in the farming operation
  - any other management functions necessary to conduct the farming operation and for which the operation would ordinarily be charged a fee.

**Definitions of Terms Used in This Handbook (Continued)****Adequate Documentation**

Adequate documentation means whatever documentation is required by the reviewing authority to make proper actively engaged in farming, attribution, and average AGI compliance determinations.

**Adjusted Gross Income (AGI)**

AGI means, for a:

- person, the amount reported to IRS on the appropriate tax filing documents as AGI
- legal entity, the comparable measure according to this handbook.

**“Arm’s Length” Business Transaction**

“Arm’s length” business transaction means a transaction between 2 parties, however closely related they may be, conducted as if the parties were strangers, so that no conflict of interest arises.

**Attribution**

Attribution means crediting payments made to entities, such as corporations, estates, trusts and limited partnerships, to “real persons” based on the share of the entity held by the individual stockholder, heir, beneficiary, etc.

**Average AGI for a Person or Legal Entity**

Average AGI for a person or legal entity means the average AGI, or comparable measure, of the individual or entity over the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested.

**Note:** Exclude any years that the person or legal entity did not have taxable income.



Definitions of Terms Used in This Handbook (Continued)

Average Farm AGI

Average farm AGI of a person or legal entity means income or benefits derived from the following sources.

Income Related to Livestock and Crops	Other Types of Income
Production of livestock, including but not limited to: <ul style="list-style-type: none"> <li>• cattle, sheep, goats, swine</li> <li>• elk, reindeer, bison, deer</li> <li>• horses</li> <li>• poultry</li> <li>• fish and other aquaculture products used for food</li> <li>• honeybees.</li> </ul>	The sale of land that has been used for agriculture. The sale of easements and development rights to: <ul style="list-style-type: none"> <li>• farmland, ranchland, or forestry land</li> <li>• water or hunting</li> <li>• environmental benefits.</li> </ul>
The feeding, rearing, or finishing of livestock.	The rental or lease of land or equipment used for farming, ranching, or forestry operations, including water or hunting rights.
Products produced by or derived from livestock.	
Production of crops, specialty crops, and unfinished raw forestry products.	Any payment or benefit, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans.
The processing, packing, storing, shedding, and transporting of farm, ranch, and forestry commodities, including renewable energy.	Payments and benefits authorized under any program made applicable to payment eligibility and payment limitation rules.
	Production of farm-based renewable energy.
Any other activity related to farming, ranching, or forestry as determined by the Deputy Administrator.	
Any income reported on IRS Schedule F or other schedule used by the person or legal entity to report income from farming, ranching, or forestry operations to IRS.	
The sale of equipment used to conduct farm, ranch, or forestry operations and the provision of production inputs and services to farmers, ranchers, foresters, and farm operations, if the average farm AGI is <b>at least</b> 66.66 percent of the average AGI.	

**Note:** Wages earned through employment by a farming operation are **not** farm income.

\*--Average Gross Income for a Person or Legal Entity

Average gross income for a person or legal entity means the average gross income, or comparable measure, of the individual or entity over the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested.

**Note:** Exclude any years that the person or legal entity did not have taxable income.--\*

Definitions of Terms Used in This Handbook (Continued)

\*--Average Gross Income From Farming, Ranching, or Forestry

Average gross income from farming, ranching, or forestry of a person or legal entity means all income or benefits derived from the following sources.

Income Related to Livestock and Crops	Other Types of Income
Production of livestock, including but not limited to: <ul style="list-style-type: none"> <li>• cattle, sheep, goats, swine</li> <li>• elk, reindeer, bison, deer</li> <li>• horses</li> <li>• poultry</li> <li>• fish and other aquaculture products used for food</li> <li>• honeybees.</li> </ul>	The sale of land that has been used for agriculture. The sale of easements and development rights to: <ul style="list-style-type: none"> <li>• farmland, ranchland, or forestry land</li> <li>• water or hunting</li> <li>• environmental benefits.</li> </ul>
The feeding, rearing, or finishing of livestock.	The rental or lease of land or equipment used for farming, ranching, or forestry operations, including water or hunting rights.
Products produced by or derived from livestock.	
Production of crops, specialty crops, and unfinished raw forestry products.	Any payment or benefit, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans.
The processing, packing, storing, shedding, and transporting of farm, ranch, and forestry commodities, including renewable energy.	Payments and benefits authorized under any program made applicable to payment eligibility and payment limitation rules.
	Production of farm-based renewable energy.
Any other activity related to farming, ranching, or forestry as determined by the Deputy Administrator.	
Any income reported on IRS Schedule F or other schedule used by the person or legal entity to report income from farming, ranching, or forestry operations to IRS.	
The sale of equipment used to conduct farm, ranch, or forestry operations and the provision of production inputs and services to farmers, ranchers, foresters, and farm operations, if the average gross income from farming is <b>at least</b> 66.66 percent of the average gross income.	

**Note:** Wages earned through employment by a farming operation, income from renewable energy (other than production of farm-based renewable energy), and income from ownership interest in related businesses (i.e. cotton gins, ethanol plants) are **not** farm income.--\*

## Definitions of Terms Used in This Handbook (Continued)

### Capital

For payment limitation purposes, capital means the funding provided by a person or legal entity to the farming operation for the operation to conduct farming activities.

### Cash-Rent Tenant

Cash-rent tenant means a producer who rents land from another producer or landowner under either of the following conditions:

- for a fixed cash amount
- for a fixed quantity of the crop or crop proceeds.

### Common Attribution

Common attribution means crediting payments made to persons or legal entities collectively to 1 limitation, for the applicable program, based on a specific or unique relationship between the persons or legal entities.

### Complete Control

Complete control means exclusive access and use by the tenant.

### Corporation

Corporation means an entity recognized by law comprised of 1 or more persons or legal entities, which has certain rights and duties.

**Note:** For payment limitation purposes, a subchapter S corporation is included in this definition.

### Custom Services

Custom services mean the hiring of a contractor or vendor that is in the business of providing such specialized services or to perform services for the farming operation in exchange for the payment of a fee for such services performed.

### Default Determination

Default determination means all persons or legal entities are considered to be actively engaged in farming.



## Definitions of Terms Used in This Handbook (Continued)

### Embedded Legal Entity

Embedded legal entity means an entity that has an interest, directly or indirectly, as a stockholder, member, beneficiary, or heir, in another entity that is earning payments.

### End-of-Year Review Tracking (EYRT) System

EYRT System means a web-based system:

- in which National, State, and County Office users can record all findings, recommendations, and conclusions from EYR's completed on selected farming operations for 2009 and subsequent years' payment eligibility and payment limitation compliance purposes
- that provides reporting and summarization capabilities for EYR findings, determinations, and related information recorded for the farming operations reviewed.

### Enrolled Agent

Enrolled agent means someone who is authorized to deal with IRS on behalf of another; however, enrolled agent certifications are **not** acceptable for AGI eligibility purposes.

### Equipment

For payment limitation purposes, equipment means the machinery and implements used by the farming operation to conduct activities of the farming operation. This includes:

- machinery and implements for:
  - land preparation, planting, cultivating, or harvesting of the crops involved
  - establishing and maintaining conservation cover crops or conservation use acreages
  - conducting livestock operations
- irrigation equipment that is:
  - **not** of a permanent nature
  - commonly used in the area.

## Definitions of Terms Used in This Handbook (Continued)

### Family Member

Family member means a person to whom another member in the farming operation is related as lineal ancestor, lineal descendant, sibling, spouse, or otherwise by marriage.

The term family member must include the following:

- great grandparent
- grandparent
- parent
- child, including legally adopted children and stepchildren
- grandchild
- great grandchild
- sibling of the family members in the farming operation
- spouse of family members
- niece
- nephew
- first cousin.

### Farm Manager

Farm manager means a person with an ownership interest in the farming operation who uses a significant contribution of active personal management, or a significant contribution of the combination of active personal labor and active personal management to meet the requirements to be considered actively engaged in farming.

### Farming Operation

Farming operation means a business enterprise engaged in producing agricultural products.

### Foreign Entity

Foreign entity means a corporation, trust, estate, or other similar organization, that has more than 10 percent of its beneficial interest held by individuals who are **not**:

- citizens of the U.S.
- lawful aliens possessing a valid I-551.

## Definitions of Terms Used in This Handbook (Continued)

### Foreign Person

Foreign person means someone who is **not** a:

- citizen of the U.S.
- lawful alien possessing a valid I-551.

### General Partnership

General partnership means:

- comprised of 2 or more persons or legal entities
- formed under State law
- subject to the terms of a formalized agreement
- identified with EIN.

### Income From Fishing

Income from fishing means income derived from catching, taking, harvesting, cultivating, or farming aquatic resources, such as fish, shellfish, crustacea, and other aquatic forms of animal or vegetable life, according to IRS Publication 595 or other applicable IRS instructions.

### Indian Tribe

Indian tribe means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village or regional corporation as defined in or established under the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the U.S. because of their status as Indians.

**Note:** This includes tribally chartered entities formed under Section 17 of the Indian Reorganization Act.

### Interest in a Farming Operation

Interest in a farming operation means any of the following:

- owner, lessor, or lessee of the land in the farming operation
- interest in the ag products, commodities, or livestock produced by the farming operation
- a member of a joint operation that is an owner, lessor, or lessee of the land in the farming operation or has an interest in the ag products, commodities, or livestock produced by the farming operation.

**Definitions of Terms Used in This Handbook (Continued)****Joint Operation**

Joint operation means a general partnership or joint venture, whose members are jointly and severally liable for the obligations of the organization, in which 2 or more individuals or entities pool their resources, such as land, labor, capital, management, and equipment, to conduct the farming operation for a common purpose, sharing the profits and losses.

**Joint Venture**

Joint venture means an association of persons or legal entities, where the association exists without an actual partnership or corporate designation.

**Land**

For payment eligibility purposes, land means farmland consisting of cropland, pastureland, wetland, or rangeland that meets the specific requirements of the applicable program.

**“Left-Hand” Contribution**

“Left-hand” contribution to the farming operation means 1 or a combination of the following:

- capital
- land
- equipment.

**Legal Entity**

Legal entity means an entity created under Federal or State law that owns land or an agricultural commodity, product, or livestock.

**Limited Partnership (LP)**

For payment limitation purposes, LP means LP has both of the following:

- at least 1 general partner entrusted with managing and controlling the partnership’s business
- at least 1 limited partner.

**Livestock**

Livestock means those animals included in 7 CFR 1416.304 (a) and that are a part of a farming operation.



## Definitions of Terms Used in This Handbook (Continued)

### Materially Participating

Materially participating means more than 50 percent of the legal entity's gross receipts for each tax year in the 3-year period used to compute the average farm AGI are derived from farming, ranching, or forestry sources described in 5-PL, paragraph 312.

### Minor Child

Minor child means a person who is **not** 18 years of age on or before June 1 of the current year.

**June 1 of the applicable year must be the date used for the determination of minor child.**

**Note:** Court action conferring majority on this person does **not** change this person's status as a minor child.

### Person

Person means a "natural person" (individual) and does **not** include a legal entity.

**Note:** A cooperative association of producers that market commodities must **not** be considered the person, and payments and benefits thereby limited for the commodities marketed for the producers.

### Public School

Public school means a primary, elementary, secondary school, college, or university which is directly administered under the authority of a governmental body or which receives a predominant amount of its financing from public funds.

### Recording County

Recording county means the County Office and COC assigned the specific responsibilities for making determinations of eligibility and updating the eligibility and payment limitation data for an FSA customer.

### "Right-Hand" Contribution

"Right-hand" contribution to the farming operation means 1 or a combination of the following:

- active personal labor
- active personal management.

## Definitions of Terms Used in This Handbook (Continued)

### Separate and Distinct Contribution

Separate and distinct contribution is a contribution to the farming operation that is:

- unique and apart from other contributions
- distinguishable from the contributions of other partners, stockholders, or members of the same legal entity or joint operation.

### Sharecropper

Sharecropper means an individual who:

- performs work in connection with the production of the crop under the supervision of the operator
- receives a share of the crop in return for the provision of labor performed in the farming operation.

### Taxable Income

Taxable income, for average AGI purposes, means income used by FSA to determine if the person or legal entity had any amount that could be included as income on an IRS tax return and is subject to taxation. AGI has nothing to do with the person's or legal entity's taxable income liability. A person or legal entity with AGI as defined in 7 CFR Part 1400 in any year is considered to have taxable income in that year regardless of the amount shown as taxable income on the person's or legal entity's tax return for that year.

**Example:** A person has total adjusted gross income of \$7,600 in 2008. The person claims 2 exemptions on the tax return and thereby reduces taxable income using IRS-allowable exemptions and/or deductions to \$0. For AGI purposes under 7 CFR Part 1400, the person has taxable income for 2008, and that taxable income is \$0.

### Total Value of a Farming Operation

Total value of a farming operation means the total of the costs, excluding the value of active personal labor and active personal management that is contributed by a member of the farming operation, needed to carry out the farming operation for the year for which the determination is made.

### Tribal Venture

Tribal venture means a joint operation conducted by members of a Native American or Indian tribe.

## Menu and Screen Index

The following table lists the menus and screens displayed in this handbook.

Menu or Screen	Title	Reference
	End of Year Review Tracking Additional EYR Selections Screen	453
	End of Year Review Tracking CCC-900 Summary (Individual Case Reporting) Screen	453
	End of Year Review Tracking CCC-902EYR (Individual Case Reporting) Screen	453
	End of Year Review Tracking Main Menu Screen	453
	End of Year Tracking Main Menu	453
	Payment Limitation EYRs Screen	452
	State Selection Report Screen	454
	FPACNow Service Requests Screen	456
	Internal Review Document Tracking System Menu Screen	457
	My EYR Internal Control Reviews Screen	457



**Payment Eligibility and Payment Limitations for Disaster Assistance Programs**

This is an example of the payment eligibility and limitations for disaster assistance programs.

Program	Years	Payment Eligibility		Annual Payment Limitation		Payment Limitation Control	
		Gross Revenue	AGI	Regulation	Amount	Regulation	Method
ECP	2008		\$2.5 million <sup>1/</sup>	7 CFR Part 701	\$200,000 per disaster	7 CFR Part 1400	“Person” as defined.
	2009-2013		\$1 million nonfarm			7 CFR Part 1400 as revised for 2009.	Direct attribution to person or legal entity.
	2014-2017		\$900,000		\$500,000 per disaster	7 CFR Part 1400 as revised for 2018 forward.	
	2018 forward		\$900,000				
EFRP	2010-2013		\$1 million nonfarm	7 CFR Part 701	\$500,000 per disaster	7 CFR Part 1400 as revised for 2010 forward.	Direct attribution to person or legal entity.
	2014 forward		\$900,000				
ELAP and SURE	2008		\$2.5 million	7 CFR Part 1480	\$100,000 total for ELAP, SURE, LFP, and LIP	7 CFR Part 1400	“Person” as defined.
	2009-2011		\$500,000 Nonfarm AGI	7 CFR Part 1439		7 CFR Part 1400 as revised for 2009 forward.	Direct attribution to person or legal entity.
	2014 forward		\$900,000	7 CFR Part 1416			
*--ELAP	2019 forward		\$900,000	Payment limitation provisions do not apply.--*			
LFP	2008		\$2.5 million	7 CFR Part 1439	\$100,000	7 CFR Part 1400	“Person” as defined.
	2009-2011		\$500,000 Nonfarm AGI		*--total for ELAP, SURE, LFP, and LIP		
	2011 forward		\$900,000	7 CFR Part 1416	\$125,000		
LIP	2008		\$2.5 million	7 CFR Part 1439	\$100,000 total for ELAP, SURE, LFP, and LIP--*	7 CFR Part 1400	“Person” as defined.
	2009-2011		\$500,000 Nonfarm AGI				
	*--2011-2018		\$900,000				
	2019 forward		\$900,000	Payment limitation provisions do not apply.--*			
NAP	2008	\$2 million		7 CFR Part 1437	\$100,000	7 CFR Part 1400	“Person” as defined.
	2009-2013		\$500,000 Nonfarm AGI				
	2014 forward		\$900,000		\$125,000		
TAP	2008		\$2.5 million	7 CFR Part 783	\$100,000	7 CFR Part 1400	“Person” as defined.
	2009-2011		\$500,000 Nonfarm AGI		7 CFR Part 1416		
	2011 forward		\$900,000				

<sup>1/</sup> If applicable, see paragraph 34.



**Determinations and Certifications for Payment Eligibility Purposes**

\*--Following are determinations and certifications for payment eligibility purposes. This list is not all inclusive. See paragraph 34 or applicable program handbooks for additional program information.--\*


<b>Eligibility Determination/Certification</b>	<b>Annual Programs for Covered Commodities</b>	<b>Price Support Loans, Loan Deficiency and Market Gains</b>	<b>Conservation Reserve Program</b>	<b>Other Conservation Programs</b>	<b>Noninsured Crop Disaster Assistance</b>	<b>Livestock and Other Disaster Assistance</b>
Actively engaged in farming (2018 Farm Bill; 6-PL) 2019-23	✓					
Actively engaged in farming (2014 Farm Bill; 5-PL) 2016-18	✓	✓				
Actively engaged in farming (2014 Farm Bill; 5-PL) 2014-15	✓	✓				
Actively engaged in farming (2008 Farm Bill; 4-PL)	✓					
Actively engaged in farming (2002 Farm Bill; 1-PL)	✓		✓			
Cash rent tenant (2018 Farm Bill; 6-PL) 2019-2023	✓					
Cash rent tenant (2014 Farm Bill; 5-PL) 2014-2018	✓	✓				
Person eligibility (2002 Farm Bill; 1-PL) (2003-2008)	✓		✓		✓	
Permitted entity (2002 Farm Bill; 1-PL) (2004-2008)	✓		✓			
Foreign person (2018 Farm Bill; 6-PL) 2019-2023	✓		✓	✓		
Foreign person (2014 Farm Bill; 5-PL) 2014-2018	✓	✓	✓	✓		
Adjusted gross income (2018 Farm Bill; 6-PL) 2019-2023	✓	✓	✓	✓	✓	✓
Adjusted gross income (2014 Farm Bill; 5-PL) 2015-2018	✓	✓	✓	✓	✓	✓
Adjusted gross income (2014 Farm Bill; 5-PL) 2014	✓	✓			✓	✓
Adjusted gross income (2014 Farm Bill; 5-PL) 2011-2013						✓
Adjusted gross income (2008 Farm Bill; 4-PL) 2012-2013	✓					✓
Adjusted gross income (2008 Farm Bill; 4-PL) 2009-2013	✓	✓	✓	✓	✓	
Adjusted gross income (2002 Farm Bill; 1-PL) 2003-2008	✓	✓	✓	✓		✓
Conservation compliance (2014 Farm Bill; 6-CP) 2014-2023	✓	✓	✓	✓	✓	✓
Conservation compliance (pre-2014 Farm Bill; 6-CP) 2003-2013	✓	✓	✓	✓	✓	✓
Controlled substance (growing, cultivating) 1985-2023	✓	✓	✓	✓	✓	✓
Controlled substance (possession) 2003-2023 (1-CM)	✓	✓	✓	✓	✓	✓
Delinquent debt (58-FI)	✓	✓	✓	✓	✓	✓
Federal crop insurance (4-RM)			✓			✓
Fraud, including FCIC fraud (2008 Farm Bill; 4-PL) 2003-2023	✓	✓	✓	✓	✓	✓
Beginning farmer or rancher (1-CM)	✓	✓	✓	✓	✓	✓
Socially disadvantaged farmer or rancher (1-CM)	✓	✓	✓	✓	✓	✓
Limited resource farmer or rancher (1-CM)	✓	✓	✓	✓	✓	✓
Veteran farmer or rancher	✓	✓	✓	✓	✓	✓





Federally Recognized Indian Tribes

The following is a current list of the 567 entities recognized as eligible for funding and assistance for BIA by virtue of their status as Indian Tribes.



**26826**

Federal Register / Vol. 81, No. 86 / Wednesday, May 4, 2016 / Notices

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**Public Availability of the Draft EA**

Printed copies of the Draft EA are available for review at the Commonwealth of the Northern Mariana Islands Bureau of Environmental and Coastal Quality, Gualo Rai Center, Chalan Pale Arnold–Middle Road, Saipan, MP 96950, and the following libraries.

- Joeten-Kiyu Public Library, Beach Road and Insatto St., Saipan, MP 96950.
- Tinian Public Library, San Jose Village, Tinian, MP 96952.
- Antonio Camacho Atalig Memorial Library, Tatachog Village, Rota, MP 96951.

**Public Availability of Comments**

Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

**Rohyn Thorson,**  
*Regional Director, Pacific Region, Portland, Oregon.*  
[FR Doc. 2016–09955 Filed 5–3–16; 8:45 am]  
BILLING CODE 4333–15–P

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**DEPARTMENT OF THE INTERIOR**

**Geological Survey**

[GX16LR000F60100]

**Agency Information Collection Activities: Request for Comments**

**AGENCY:** U.S. Geological Survey (USGS), Interior.

**ACTION:** Notice of a renewal of a currently approved information collection (1028–0059).

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**SUMMARY:** We (the U.S. Geological Survey) will ask the Office of Management and Budget (OMB) to approve the information collection (IC) described below. This collection consists of 1 form. As required by the Paperwork Reduction Act (PRA) of 1995, and as part of our continuing efforts to reduce paperwork and respondent burden, we invite the general public and other Federal agencies to take this opportunity to comment on this IC. This collection is scheduled to expire on October 31, 2016.

**DATES:** To ensure that your comments are considered, we must receive them on or before July 5, 2016.

**ADDRESSES:** You may submit comments on this information collection to the Information Collection Clearance Officer, U.S. Geological Survey, 12201 Sunrise Valley Drive MS 807, Reston, VA 20192 (mail); (703) 648–7197 (fax); or *gs-info\_collections@usgs.gov* (email). Please reference ‘Information Collection 1028–0059, Comprehensive Test Ban Treaty in all correspondence.

**FOR FURTHER INFORMATION CONTACT:** Lori E. Apodaca, National Minerals Information Center, U.S. Geological Survey, 12201 Sunrise Valley Drive, MS 989, Reston, VA 20192 (mail); 703–648–7724 (phone); or *lapodaca@usgs.gov* (email). You may also find information about this ICR at *www.reginfo.gov*.

**SUPPLEMENTARY INFORMATION:**

**I. Abstract**

The collection of this information is required by the Comprehensive Test Ban Treaty (CTBT), and will, upon request, provide the CTBT Technical Secretariat with geographic locations of sites where chemical explosions greater than 300 tons TNT-equivalent have occurred.

**II. Data**

*OMB Control Number:* 1028–0059.  
*Form Number:* USGS Form 9–4040–A.  
*Title:* Comprehensive Test Ban Treaty.  
*Type of Request:* Renewal of existing information collection.  
*Affected Public:* Business or Other-For-Profit Institutions: U.S. nonfuel minerals producers.  
*Respondent’s Obligation:* None. Participation is voluntary.  
*Frequency of Collection:* Annually.  
*Estimated Total Number of Annual Responses:* 2,500.  
*Estimated Time per Response:* 15 minutes.  
*Estimated Annual Burden Hours:* 625 hours.  
*Estimated Reporting and Recordkeeping “Non-Hour Cost” Burden:* There are no “non-hour cost” burdens associated with this IC.  
*Public Disclosure Statement:* The PRA (44 U.S.C. 3501, *et seq.*) provides that an agency may not conduct or sponsor and you are not required to respond to a collection of information unless it displays a currently valid OMB control number and current expiration date.

**III. Request for Comments**

We are soliciting comments as to: (a) Whether the proposed collection of information is necessary for the agency to perform its duties, including whether

the information is useful; (b) the accuracy of the agency’s estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, usefulness, and clarity of the information to be collected; and (d) how to minimize the burden on the respondents, including the use of automated collection techniques or other forms of information technology.

Please note that the comments submitted in response to this notice are a matter of public record. Before including your personal mailing address, phone number, email address, or other personally identifiable information in your comment, you should be aware that your entire comment, including your personally identifiable information, may be made publicly available at any time. While you can ask us in your comment to withhold your personally identifiable information from public view, we cannot guarantee that we will be able to do so.

**Michael J. Magyar,**  
*Associate Director, National Minerals Information Center, U.S. Geological Survey.*  
[FR Doc. 2016–10379 Filed 5–3–16; 8:45 am]  
BILLING CODE 4333–11–P

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**DEPARTMENT OF THE INTERIOR**

**Bureau of Indian Affairs**

[167 A2100DD/AAKC001030/ AOA501010.999900]

**Indian Entities Recognized and Eligible To Receive Services From the United States Bureau of Indian Affairs**

**AGENCY:** Bureau of Indian Affairs, Interior.

**ACTION:** Notice.

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**SUMMARY:** This notice publishes the current list of 567 Tribal entities recognized and eligible for funding and services from the Bureau of Indian Affairs (BIA) by virtue of their status as Indian Tribes. The list is updated from the notice published on January 29, 2016 (81 FR 5019).

**FOR FURTHER INFORMATION CONTACT:** Ms. Laurel Iron Cloud, Bureau of Indian Affairs, Division of Tribal Government Services, Mail Stop 4513–MIB, 1849 C Street NW., Washington, DC 20240. Telephone number: (202) 513–7641.

**SUPPLEMENTARY INFORMATION:** This notice is published pursuant to Section 104 of the Act of November 2, 1994 (Pub. L. 103–454; 108 Stat. 4791, 4792), and in exercise of authority delegated to the Assistant Secretary—Indian Affairs under 25 U.S.C. 2 and 9 and 209 DM 8.

9-28-20

6-PL Amend. 1

Page 1

Federally Recognized Indian Tribes (Continued)

Published below is an updated list of federally acknowledged Indian Tribes in the contiguous 48 states and Alaska, to reflect the addition of an Indian Tribe and various name changes and corrections.

The addition to the list of Indian entities results from the January 28, 2016, Interior Board of Indian Appeals dismissal of a request for reconsideration in docket number 16-003, *In Re Federal Acknowledgment of the Pamunkey Indian Tribe*.

To aid in identifying Tribal name changes and corrections, the Tribe's previously listed or former name is included in parentheses after the correct current Tribal name. We will continue to list the Tribe's former or previously listed name for several years before dropping the former or previously listed name from the list.

The listed Indian entities are acknowledged to have the immunities and privileges available to federally recognized Indian Tribes by virtue of their government-to-government relationship with the United States as well as the responsibilities, powers, limitations, and obligations of such Tribes. We have continued the practice of listing the Alaska Native entities separately solely for the purpose of facilitating identification of them and reference to them given the large number of complex Native names.

Dated: April 25, 2016.

Lawrence S. Roberts,

Acting Assistant Secretary—Indian Affairs.

**INDIAN TRIBAL ENTITIES WITHIN THE CONTIGUOUS 48 STATES RECOGNIZED AND ELIGIBLE TO RECEIVE SERVICES FROM THE UNITED STATES BUREAU OF INDIAN AFFAIRS**

Absentee-Shawnee Tribe of Indians of Oklahoma  
 Agua Caliente Band of Cahuilla Indians of the Agua Caliente Indian Reservation, California  
 Ak-Chin Indian Community (previously listed as the Ak Chin Indian Community of the Maricopa (Ak Chin) Indian Reservation, Arizona)  
 Alabama-Coushatta Tribe of Texas (previously listed as the Alabama-Coushatta Tribes of Texas)  
 Alabama-Quassarte Tribal Town  
 Alturas Indian Rancheria, California  
 Apache Tribe of Oklahoma  
 Arapaho Tribe of the Wind River Reservation, Wyoming  
 Aroostook Band of Micmacs (previously listed as the Aroostook Band of Micmac Indians)  
 Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation, Montana

Augustine Band of Cahuilla Indians, California (previously listed as the Augustine Band of Cahuilla Mission Indians of the Augustine Reservation)  
 Bad River Band of the Lake Superior Tribe of Chippewa Indians of the Bad River Reservation, Wisconsin  
 Bay Mills Indian Community, Michigan  
 Bear River Band of the Rohnerville Rancheria, California  
 Berry Creek Rancheria of Maidu Indians of California  
 Big Lagoon Rancheria, California  
 Big Pine Paiute Tribe of the Owens Valley (previously listed as the Big Pine Band of Owens Valley Paiute Shoshone Indians of the Big Pine Reservation, California)  
 Big Sandy Rancheria of Western Mono Indians of California (previously listed as the Big Sandy Rancheria of Mono Indians of California)  
 Big Valley Band of Pomo Indians of the Big Valley Rancheria, California  
 Bishop Paiute Tribe (previously listed as the Paiute-Shoshone Indians of the Bishop Community of the Bishop Colony, California)  
 Blackfeet Tribe of the Blackfeet Indian Reservation of Montana  
 Blue Lake Rancheria, California  
 Bridgeport Indian Colony (previously listed as the Bridgeport Paiute Indian Colony of California)  
 Buena Vista Rancheria of Me-Wuk Indians of California  
 Burns Paiute Tribe (previously listed as the Burns Paiute Tribe of the Burns Paiute Indian Colony of Oregon)  
 Cabazon Band of Mission Indians, California  
 Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria, California  
 Caddo Nation of Oklahoma  
 Cahto Tribe of the Laytonville Rancheria  
 Cahuilla Band of Indians (previously listed as the Cahuilla Band of Mission Indians of the Cahuilla Reservation, California)  
 California Valley Miwok Tribe, California  
 Campo Band of Diegueno Mission Indians of the Campo Indian Reservation, California  
 Capitan Grande Band of Diegueno Mission Indians of California (Barona Group of Capitan Grande Band of Mission Indians of the Barona Reservation, California; Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians of the Viejas Reservation, California)  
 Catawba Indian Nation (aka Catawba Tribe of South Carolina)  
 Cayuga Nation  
 Cedarville Rancheria, California  
 Chemehuevi Indian Tribe of the Chemehuevi Reservation, California  
 Cher-Ae Heights Indian Community of the Trinidad Rancheria, California  
 Cherokee Nation  
 Cheyenne and Arapaho Tribes, Oklahoma (previously listed as the Cheyenne-Arapaho Tribes of Oklahoma)  
 Cheyenne River Sioux Tribe of the Cheyenne River Reservation, South Dakota  
 Chicken Ranch Rancheria of Me-Wuk Indians of California  
 Chippewa Cree Indians of the Rocky Boy's Reservation, Montana (previously listed as the Chippewa-Cree Indians of the Rocky Boy's Reservation, Montana)  
 Chitimacha Tribe of Louisiana  
 Citizen Potawatomi Nation, Oklahoma  
 Cloverdale Rancheria of Pomo Indians of California  
 Cocopah Tribe of Arizona  
 Coeur D'Alene Tribe (previously listed as the Coeur D'Alene Tribe of the Coeur D'Alene Reservation, Idaho)  
 Cold Springs Rancheria of Mono Indians of California  
 Colorado River Indian Tribes of the Colorado River Indian Reservation, Arizona and California  
 Comanche Nation, Oklahoma  
 Confederated Salish and Kootenai Tribes of the Flathead Reservation  
 Confederated Tribes and Bands of the Yakama Nation  
 Confederated Tribes of Siletz Indians of Oregon (previously listed as the Confederated Tribes of the Siletz Reservation)  
 Confederated Tribes of the Chehalis Reservation  
 Confederated Tribes of the Colville Reservation  
 Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians  
 Confederated Tribes of the Goshute Reservation, Nevada and Utah  
 Confederated Tribes of the Grand Ronde Community of Oregon  
 Confederated Tribes of the Umatilla Indian Reservation (previously listed as the Confederated Tribes of the Umatilla Reservation, Oregon)  
 Confederated Tribes of the Warm Springs Reservation of Oregon  
 Coquille Indian Tribe (previously listed as the Coquille Tribe of Oregon)  
 Cortina Indian Rancheria (previously listed as the Cortina Indian Rancheria of Wintun Indians of California)  
 Coushatta Tribe of Louisiana  
 Cow Creek Band of Umpqua Tribe of Indians (previously listed as the Cow Creek Band of Umpqua Indians of Oregon)  
 Cowlitz Indian Tribe  
 Coyote Valley Band of Pomo Indians of California  
 Crow Creek Sioux Tribe of the Crow Creek Reservation, South Dakota

Federally Recognized Indian Tribes (Continued)

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Crow Tribe of Montana	Hoop Valley Tribe, California	Little River Band of Ottawa Indians, Michigan
Death Valley Timbi-sha Shoshone Tribe (previously listed as the Death Valley Timbi-Sha Shoshone Band of California)	Hopi Tribe of Arizona	Little Traverse Bay Bands of Odawa Indians, Michigan
Delaware Nation, Oklahoma	Hopland Band of Pomo Indians, California (formerly Hopland Band of Pomo Indians of the Hopland Rancheria, California)	Lone Pine Paiute-Shoshone Tribe (previously listed as the Paiute-Shoshone Indians of the Lone Pine Community of the Lone Pine Reservation, California)
Delaware Tribe of Indians	Houlton Band of Maliseet Indians	Los Coyotes Band of Cahuilla and Cupeno Indians, California (previously listed as the Los Coyotes Band of Cahuilla & Cupeno Indians of the Los Coyotes Reservation)
Dry Creek Rancheria Band of Pomo Indians, California (previously listed as the Dry Creek Rancheria of Pomo Indians of California)	Hualapai Indian Tribe of the Hualapai Indian Reservation, Arizona	Lovelock Paiute Tribe of the Lovelock Indian Colony, Nevada
Duckwater Shoshone Tribe of the Duckwater Reservation, Nevada	Iipay Nation of Santa Ysabel, California (previously listed as the Santa Ysabel Band of Diegueno Mission Indians of the Santa Ysabel Reservation)	Lower Brule Sioux Tribe of the Lower Brule Reservation, South Dakota
Eastern Band of Cherokee Indians	Inaja Band of Diegueno Mission Indians of the Inaja and Cosmit Reservation, California	Lower Elwha Tribal Community (previously listed as the Lower Elwha Reservation, Washington)
Eastern Shawnee Tribe of Oklahoma	Ione Band of Miwok Indians of California	Lower Sioux Indian Community in the State of Minnesota
Eastern Shoshone Tribe of the Wind River Reservation, Wyoming (previously listed as the Shoshone Tribe of the Wind River Reservation, Wyoming)	Iowa Tribe of Kansas and Nebraska	Lummi Tribe of the Lummi Reservation
Elem Indian Colony of Pomo Indians of the Sulphur Bank Rancheria, California	Iowa Tribe of Oklahoma	Lytton Rancheria of California
Elk Valley Rancheria, California	Jackson Band of Miwok Indians (previously listed as the Jackson Rancheria of Me-Wuk Indians of California)	Makah Indian Tribe of the Makah Indian Reservation
Ely Shoshone Tribe of Nevada	Jamestown S'Klallam Tribe	Manchester Band of Pomo Indians of the Manchester Rancheria, California (previously listed as the Manchester Band of Pomo Indians of the Manchester-Point Arena Rancheria, California)
Enterprise Rancheria of Maidu Indians of California	Jamul Indian Village of California	Manzanita Band of Diegueno Mission Indians of the Manzanita Reservation, California
Ewiitaapaayp Band of Kumeyaay Indians, California	Jena Band of Choctaw Indians	Mashantucket Pequot Indian Tribe (previously listed as the Mashantucket Pequot Tribe of Connecticut)
Federated Indians of Graton Rancheria, California	Jicarilla Apache Nation, New Mexico	Mashpee Wampanoag Tribe (previously listed as the Mashpee Wampanoag Indian Tribal Council, Inc.)
Flandreau Santee Sioux Tribe of South Dakota	Kaibab Band of Paiute Indians of the Kaibab Indian Reservation, Arizona	Match-e-be-nash-she-wish Band of Pottawatomis of Michigan
Forest County Potawatomi Community, Wisconsin	Kalispel Indian Community of the Kalispel Reservation	Mechoopda Indian Tribe of Chico Rancheria, California
Fort Belknap Indian Community of the Fort Belknap Reservation of Montana	Karuk Tribe (previously listed as the Karuk Tribe of California)	Menominee Indian Tribe of Wisconsin
Fort Bidwell Indian Community of the Fort Bidwell Reservation of California	Kashia Band of Pomo Indians of the Stewarts Point Rancheria, California	Mesa Grande Band of Diegueno Mission Indians of the Mesa Grande Reservation, California
Fort Independence Indian Community of Paiute Indians of the Fort Independence Reservation, California	Kaw Nation, Oklahoma	Mescalero Apache Tribe of the Mescalero Reservation, New Mexico
Fort McDermitt Paiute and Shoshone Tribes of the Fort McDermitt Indian Reservation, Nevada and Oregon	Kewa Pueblo, New Mexico (previously listed as the Pueblo of Santo Domingo)	Miami Tribe of Oklahoma
Fort McDowell Yavapai Nation, Arizona	Keweenaw Bay Indian Community, Michigan	Micosukee Tribe of Indians
Fort Mojave Indian Tribe of Arizona, California & Nevada	Kialegee Tribal Town	Middletown Rancheria of Pomo Indians of California
Fort Sill Apache Tribe of Oklahoma	Kickapoo Traditional Tribe of Texas	Minnesota Chippewa Tribe, Minnesota (Six component reservations: Bois Forte Band (Nett Lake); Fond du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band)
Gila River Indian Community of the Gila River Indian Reservation, Arizona	Kickapoo Tribe of Indians of the Kickapoo Reservation in Kansas	Mississippi Band of Choctaw Indians
Grand Traverse Band of Ottawa and Chippewa Indians, Michigan	Kickapoo Tribe of Oklahoma	Moapa Band of Paiute Indians of the Moapa River Indian Reservation, Nevada
Greenville Rancheria (previously listed as the Greenville Rancheria of Maidu Indians of California)	Kiowa Indian Tribe of Oklahoma	
Grindstone Indian Rancheria of Wintun-Wailaki Indians of California	Klamath Tribes	
Guidiville Rancheria of California	Koi Nation of Northern California (previously listed as the Lower Lake Rancheria, California)	
Habematolel Pomo of Upper Lake, California	Kootenai Tribe of Idaho	
Hannahville Indian Community, Michigan	La Jolla Band of Luiseno Indians, California (previously listed as the La Jolla Band of Luiseno Mission Indians of the La Jolla Reservation)	
Havasupai Tribe of the Havasupai Reservation, Arizona	La Posta Band of Diegueno Mission Indians of the La Posta Indian Reservation, California	
Ho-Chunk Nation of Wisconsin	Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin	
Hoh Indian Tribe (previously listed as the Hoh Indian Tribe of the Hoh Indian Reservation, Washington)	Lac du Flambeau Band of Lake Superior Chippewa Indians of the Lac du Flambeau Reservation of Wisconsin	
	Lac Vieux Desert Band of Lake Superior Chippewa Indians of Michigan	
	Las Vegas Tribe of Paiute Indians of the Las Vegas Indian Colony, Nevada	

Federally Recognized Indian Tribes (Continued)

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Mohegan Tribe of Indians of Connecticut (previously listed as Mohegan Indian Tribe of Connecticut)	Passamaquoddy Tribe	or Village of Cahuilla Mission Indians of California)
Mooretown Rancheria of Maidu Indians of California	Pauma Band of Luiseno Mission Indians of the Pauma & Yuima Reservation, California	Red Cliff Band of Lake Superior Chippewa Indians of Wisconsin
Morongo Band of Mission Indians, California (previously listed as the Morongo Band of Cahuilla Mission Indians of the Morongo Reservation)	Pawnee Nation of Oklahoma	Red Lake Band of Chippewa Indians, Minnesota
Muckleshoot Indian Tribe (previously listed as the Muckleshoot Indian Tribe of the Muckleshoot Reservation, Washington)	Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation, California	Redding Rancheria, California
Narragansett Indian Tribe	Penobscot Nation (previously listed as the Penobscot Tribe of Maine)	Redwood Valley or Little River Band of Pomo Indians of the Redwood Valley Rancheria California (previously listed as the Redwood Valley Rancheria of Pomo Indians of California)
Navajo Nation, Arizona, New Mexico & Utah	Peoria Tribe of Indians of Oklahoma	Reno-Sparks Indian Colony, Nevada
Nez Perce Tribe (previously listed as the Nez Perce Tribe of Idaho)	Picayune Rancheria of Chukchansi Indians of California	Resighini Rancheria, California
Nisqually Indian Tribe (previously listed as the Nisqually Indian Tribe of the Nisqually Reservation, Washington)	Pinoleville Pomo Nation, California (previously listed as the Pinoleville Rancheria of Pomo Indians of California)	Rincon Band of Luiseno Mission Indians of the Rincon Reservation, California
Nooksack Indian Tribe	Pit River Tribe, California (includes XL Ranch, Big Bend, Likely, Lookout, Montgomery Creek and Roaring Creek Rancherías)	Robinson Rancheria (previously listed as the Robinson Rancheria Band of Pomo Indians, California and the Robinson Rancheria of Pomo Indians of California)
Northern Cheyenne Tribe of the Northern Cheyenne Indian Reservation, Montana	Poarch Band of Creeks (previously listed as the Poarch Band of Creek Indians of Alabama)	Rosebud Sioux Tribe of the Rosebud Indian Reservation, South Dakota
Northfork Rancheria of Mono Indians of California	Pokagon Band of Potawatomi Indians, Michigan and Indiana	Round Valley Indian Tribes, Round Valley Reservation, California (previously listed as the Round Valley Indian Tribes of the Round Valley Reservation, California)
Northwestern Band of the Shoshone Nation (previously listed as Northwestern Band of Shoshoni Nation and the Northwestern Band of Shoshoni Nation of Utah (Washakie))	Ponca Tribe of Indians of Oklahoma	Sac & Fox Nation of Missouri in Kansas and Nebraska
Nottawaseppi Huron Band of the Potawatomi, Michigan (previously listed as the Huron Potawatomi, Inc.)	Ponca Tribe of Nebraska	Sac & Fox Nation, Oklahoma
Oglala Sioux Tribe (previously listed as the Oglala Sioux Tribe of the Pine Ridge Reservation, South Dakota)	Port Gamble S'Klallam Tribe (previously listed as the Port Gamble Band of S'Klallam Indians)	Sac & Fox Tribe of the Mississippi in Iowa
Ohkay Owingeh, New Mexico (previously listed as the Pueblo of San Juan)	Potter Valley Tribe, California	Saginaw Chippewa Indian Tribe of Michigan
Omaha Tribe of Nebraska	Prairie Band Potawatomi Nation (previously listed as the Prairie Band of Potawatomi Nation, Kansas)	Saint Regis Mohawk Tribe (previously listed as the St. Regis Band of Mohawk Indians of New York)
Oneida Nation (previously listed as the Oneida Tribe of Indians of Wisconsin)	Prairie Island Indian Community in the State of Minnesota	Salt River Pima-Maricopa Indian Community of the Salt River Reservation, Arizona
Oneida Nation of New York	Pueblo of Acoma, New Mexico	Samish Indian Nation (previously listed as the Samish Indian Tribe, Washington)
Onondaga Nation	Pueblo of Cochiti, New Mexico	San Carlos Apache Tribe of the San Carlos Reservation, Arizona
Otoe-Missouria Tribe of Indians, Oklahoma	Pueblo of Isleta, New Mexico	San Juan Southern Paiute Tribe of Arizona
Ottawa Tribe of Oklahoma	Pueblo of Jemez, New Mexico	San Manuel Band of Mission Indians, California (previously listed as the San Manuel Band of Serrano Mission Indians of the San Manuel Reservation)
Paiute Indian Tribe of Utah (Cedar Band of Paiutes, Kanosh Band of Paiutes, Koosharem Band of Paiutes, Indian Peaks Band of Paiutes, and Shivwits Band of Paiutes (formerly Paiute Indian Tribe of Utah (Cedar City Band of Paiutes, Kanosh Band of Paiutes, Koosharem Band of Paiutes, Indian Peaks Band of Paiutes, and Shivwits Band of Paiutes))	Pueblo of Laguna, New Mexico	San Pasqual Band of Diegueno Mission Indians of California
Paiute-Shoshone Tribe of the Fallon Reservation and Colony, Nevada	Pueblo of Nambe, New Mexico	Santa Rosa Band of Cahuilla Indians, California (previously listed as the Santa Rosa Band of Cahuilla Mission Indians of the Santa Rosa Reservation)
Pala Band of Mission Indians (previously listed as the Pala Band of Luiseno Mission Indians of the Pala Reservation, California)	Pueblo of Picuris, New Mexico	Santa Rosa Indian Community of the Santa Rosa Rancheria, California
Pamunkey Indian Tribe	Pueblo of Pojoaque, New Mexico	Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation, California
Pascua Yaqui Tribe of Arizona	Pueblo of San Felipe, New Mexico	Santee Sioux Nation, Nebraska
Paskenta Band of Nomlaki Indians of California	Pueblo of San Ildefonso, New Mexico	Sauk-Suiattle Indian Tribe
	Pueblo of Sandia, New Mexico	Sault Ste. Marie Tribe of Chippewa Indians, Michigan
	Pueblo of Santa Ana, New Mexico	
	Pueblo of Santa Clara, New Mexico	
	Pueblo of Taos, New Mexico	
	Pueblo of Tesuque, New Mexico	
	Pueblo of Zia, New Mexico	
	Puyallup Tribe of the Puyallup Reservation	
	Pyramid Lake Paiute Tribe of the Pyramid Lake Reservation, Nevada	
	Quartz Valley Indian Community of the Quartz Valley Reservation of California	
	Quechan Tribe of the Fort Yuma Indian Reservation, California & Arizona	
	Quileute Tribe of the Quileute Reservation	
	Quinault Indian Nation (previously listed as the Quinault Tribe of the Quinault Reservation, Washington)	
	Ramona Band of Cahuilla, California (previously listed as the Ramona Band	

Federally Recognized Indian Tribes (Continued)

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Scotts Valley Band of Pomo Indians of California  
 Seminole Tribe of Florida (previously listed as the Seminole Tribe of Florida (Dania, Big Cypress, Brighton, Hollywood & Tampa Reservations))  
 Seneca Nation of Indians (previously listed as the Seneca Nation of New York)  
 Seneca-Cayuga Nation (previously listed as the Seneca-Cayuga Tribe of Oklahoma)  
 Shakopee Mdewakanton Sioux Community of Minnesota  
 Shawnee Tribe  
 Sherwood Valley Rancheria of Pomo Indians of California  
 Shingle Springs Band of Miwok Indians, Shingle Springs Rancheria (Verona Tract), California  
 Shinneckock Indian Nation  
 Shoalwater Bay Indian Tribe of the Shoalwater Bay Indian Reservation (previously listed as the Shoalwater Bay Tribe of the Shoalwater Bay Indian Reservation, Washington)  
 Shoshone-Bannock Tribes of the Fort Hall Reservation  
 Shoshone-Paiute Tribes of the Duck Valley Reservation, Nevada  
 Sisseton-Wahpeton Oyate of the Lake Traverse Reservation, South Dakota  
 Skokomish Indian Tribe (previously listed as the Skokomish Indian Tribe of the Skokomish Reservation, Washington)  
 Skull Valley Band of Goshute Indians of Utah  
 Snoqualmie Indian Tribe (previously listed as the Snoqualmie Tribe, Washington)  
 Soboba Band of Luiseno Indians, California  
 Sokaogon Chippewa Community, Wisconsin  
 Southern Ute Indian Tribe of the Southern Ute Reservation, Colorado  
 Spirit Lake Tribe, North Dakota  
 Spokane Tribe of the Spokane Reservation  
 Squaxin Island Tribe of the Squaxin Island Reservation  
 St. Croix Chippewa Indians of Wisconsin  
 Standing Rock Sioux Tribe of North & South Dakota  
 Stillaguamish Tribe of Indians of Washington (previously listed as the Stillaguamish Tribe of Washington)  
 Stockbridge Munsee Community, Wisconsin  
 Summit Lake Paiute Tribe of Nevada  
 Squamish Indian Tribe of the Port Madison Reservation  
 Susanville Indian Rancheria, California  
 Swinomish Indian Tribal Community (previously listed as the Swinomish Indians of the Swinomish Reservation of Washington)  
 Sycuan Band of the Kumeyaay Nation  
 Table Mountain Rancheria of California  
 Tejon Indian Tribe  
 Te-Moak Tribe of Western Shoshone  
 Indians of Nevada (Four constituent bands: Battle Mountain Band; Elko Band; South Fork Band and Wells Band)  
 The Chickasaw Nation  
 The Choctaw Nation of Oklahoma  
 The Modoc Tribe of Oklahoma  
 The Muscogee (Creek) Nation  
 The Osage Nation (previously listed as the Osage Tribe)  
 The Quapaw Tribe of Indians  
 The Seminole Nation of Oklahoma  
 Thlopthlocco Tribal Town  
 Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota  
 Tohono O'odham Nation of Arizona  
 Tolowa Dee-ni' Nation (previously listed as the Smith River Rancheria, California)  
 Tonawanda Band of Seneca (previously listed as the Tonawanda Band of Seneca Indians of New York)  
 Tonkawa Tribe of Indians of Oklahoma  
 Tonto Apache Tribe of Arizona  
 Torres Martinez Desert Cahuilla Indians, California (previously listed as the Torres-Martinez Band of Cahuilla Mission Indians of California)  
 Tulalip Tribes of Washington (previously listed as the Tulalip Tribes of the Tulalip Reservation, Washington)  
 Tule River Indian Tribe of the Tule River Reservation, California  
 Tunica-Biloxi Indian Tribe  
 Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California  
 Turtle Mountain Band of Chippewa Indians of North Dakota  
 Tuscarora Nation  
 Twenty-Nine Palms Band of Mission Indians of California  
 United Auburn Indian Community of the Auburn Rancheria of California  
 United Keetoowah Band of Cherokee Indians in Oklahoma  
 Upper Sioux Community, Minnesota  
 Upper Skagit Indian Tribe  
 Ute Indian Tribe of the Uintah & Ouray Reservation, Utah  
 Ute Mountain Ute Tribe (previously listed as the Ute Mountain Tribe of the Ute Mountain Reservation, Colorado, New Mexico & Utah)  
 Utu Utu Gwaitu Paiute Tribe of the Benton Paiute Reservation, California  
 Walker River Paiute Tribe of the Walker River Reservation, Nevada  
 Wampanoag Tribe of Gay Head (Aquinnah)  
 Washoe Tribe of Nevada & California (Carson Colony, Dresslerville Colony, Woodfords Community, Stewart Community, & Washoe Ranches)  
 White Mountain Apache Tribe of the Fort Apache Reservation, Arizona  
 Wichita and Affiliated Tribes (Wichita, Keechi, Waco & Tawakonie), Oklahoma  
 Wilton Rancheria, California  
 Winnebago Tribe of Nebraska  
 Winnemucca Indian Colony of Nevada  
 Wiyot Tribe, California (previously listed as the Table Bluff Reservation—Wiyot Tribe)  
 Wyandotte Nation  
 Yankton Sioux Tribe of South Dakota  
 Yavapai-Apache Nation of the Camp Verde Indian Reservation, Arizona  
 Yavapai-Prescott Indian Tribe (previously listed as the Yavapai-Prescott Tribe of the Yavapai Reservation, Arizona)  
 Yerington Paiute Tribe of the Yerington Colony & Campbell Ranch, Nevada  
 Yocha Dehe Wintun Nation, California (previously listed as the Rumsey Indian Rancheria of Wintun Indians of California)  
 Yomba Shoshone Tribe of the Yomba Reservation, Nevada  
 Ysleta del Sur Pueblo (previously listed as the Ysleta Del Sur Pueblo of Texas)  
 Yurok Tribe of the Yurok Reservation, California  
 Zuni Tribe of the Zuni Reservation, New Mexico

**NATIVE ENTITIES WITHIN THE STATE OF ALASKA RECOGNIZED AND ELIGIBLE TO RECEIVE SERVICES FROM THE UNITED STATES BUREAU OF INDIAN AFFAIRS**

Agdaagux Tribe of King Cove  
 Akiachak Native Community  
 Akiak Native Community  
 Alatna Village  
 Algaaciq Native Village (St. Mary's)  
 Allakaket Village  
 Alutiiq Tribe of Old Harbor (previously listed as Native Village of Old Harbor and Village of Old Harbor)  
 Angoon Community Association  
 Anvik Village  
 Arctic Village (See Native Village of Venetie Tribal Government)  
 Asa'carsarmiut Tribe  
 Atkasuk Village (Atkasook)  
 Beaver Village  
 Birch Creek Tribe  
 Central Council of the Tlingit & Haida Indian Tribes  
 Chalkyitsik Village  
 Cheesh-Na Tribe (previously listed as the Native Village of Chistochina)  
 Chevak Native Village  
 Chickaloon Native Village  
 Chignik Bay Tribal Council (previously listed as the Native Village of Chignik)  
 Chignik Lake Village  
 Chilkat Indian Village (Klukwan)  
 Chilkoot Indian Association (Haines)  
 Chinik Eskimo Community (Golovin)  
 Chuloonawick Native Village

Federally Recognized Indian Tribes (Continued)

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Circle Native Community	Native Village of Elim	Native Village of Tuntutuliak
Craig Tribal Association (previously listed as the Craig Community Association)	Native Village of Eyak (Cordova)	Native Village of Tununak
Curyung Tribal Council	Native Village of False Pass	Native Village of Tyonek
Douglas Indian Association	Native Village of Fort Yukon	Native Village of Unalakleet
Egegik Village	Native Village of Gakona	Native Village of Unga
Eklutna Native Village	Native Village of Gambell	Native Village of Venetie Tribal Government (Arctic Village and Village of Venetie)
Emmonak Village	Native Village of Georgetown	Native Village of Wales
Evansville Village (aka Bettles Field)	Native Village of Goodnews Bay	Native Village of White Mountain
Galena Village (aka Loudon Village)	Native Village of Hamilton	Nenana Native Association
Gulkana Village	Native Village of Hooper Bay	New Koliganek Village Council
Healy Lake Village	Native Village of Kanatak	New Stuyahok Village
Holy Cross Village	Native Village of Karluk	Newhalen Village
Hoonah Indian Association	Native Village of Kiana	Newtok Village
Hughes Village	Native Village of Kipnuk	Nikolai Village
Huslia Village	Native Village of Kivalina	Ninilchik Village
Hydaburg Cooperative Association	Native Village of Kluti Kaah (aka Copper Center)	Nome Eskimo Community
Igiugig Village	Native Village of Kobuk	Nondalton Village
Inupiat Community of the Arctic Slope	Native Village of Kongiganak	Noorvik Native Community
Iqurmit Traditional Council	Native Village of Kotzebue	Northway Village
Ivanof Bay Tribe (previously listed as the Ivanoff Bay Tribe and the Ivanoff Bay Village)	Native Village of Koyuk	Nulato Village
Kaguyak Village	Native Village of Kwigillingok	Nunakauyarmiut Tribe
Kaktovik Village (aka Barter Island)	Native Village of Kwinhagak (aka Quinhagak)	Organized Village of Grayling (aka Holikachuk)
Kasigluk Traditional Elders Council	Native Village of Larsen Bay	Organized Village of Kake
Kenaitze Indian Tribe	Native Village of Marshall (aka Fortuna Ledge)	Organized Village of Kasaan
Ketchikan Indian Corporation	Native Village of Mary's Igloo	Organized Village of Kwethluk
King Island Native Community	Native Village of Mekoryuk	Organized Village of Saxman
King Salmon Tribe	Native Village of Minto	Orutsararmiut Traditional Native Council (previously listed as Orutsararmiut Native Village (aka Bethel))
Klawock Cooperative Association	Native Village of Nanwalek (aka English Bay)	Oscarville Traditional Village
Knik Tribe	Native Village of Napaimute	Pauloff Harbor Village
Kokhanok Village	Native Village of Napakiak	Pedro Bay Village
Koyukuk Native Village	Native Village of Napaskiak	Petersburg Indian Association
Levelock Village	Native Village of Nelson Lagoon	Pilot Station Traditional Village
Lime Village	Native Village of Nightmute	Platinum Traditional Village
Manley Hot Springs Village	Native Village of Nikolski	Portage Creek Village (aka Ohgsenakale)
Manokotak Village	Native Village of Noatak	Pribilof Islands Aleut Communities of St. Paul & St. George Islands
McGrath Native Village	Native Village of Nuqsut (aka Nooiksut)	Qagan Tayagungin Tribe of Sand Point Village
Mentasta Traditional Council	Native Village of Nunam Iqua (previously listed as the Native Village of Sheldon's Point)	Qawalangin Tribe of Unalaska
Metlakatla Indian Community, Annette Island Reserve	Native Village of Nunapitchuk	Rampart Village
Naknek Native Village	Native Village of Ouzinkie	Saint George Island (See Pribilof Islands Aleut Communities of St. Paul & St. George Islands)
Native Village of Afognak	Native Village of Paimiut	Saint Paul Island (See Pribilof Islands Aleut Communities of St. Paul & St. George Islands)
Native Village of Akhiok	Native Village of Perryville	Seldovia Village Tribe
Native Village of Akutan	Native Village of Pilot Point	Shageluk Native Village
Native Village of Aleknagik	Native Village of Pitka's Point	Sitka Tribe of Alaska
Native Village of Ambler	Native Village of Point Hope	Skagway Village
Native Village of Atka	Native Village of Point Lay	South Naknek Village
Native Village of Barrow Inupiat Traditional Government	Native Village of Port Graham	Stebbins Community Association
Native Village of Belkofski	Native Village of Port Heiden	Sun'aq Tribe of Kodiak (previously listed as the Shoonaq' Tribe of Kodiak)
Native Village of Brevig Mission	Native Village of Port Lions	Takotna Village
Native Village of Buckland	Native Village of Ruby	Tangirnaq Native Village (formerly Lesnoi Village (aka Woody Island))
Native Village of Cantwell	Native Village of Saint Michael	Telida Village
Native Village of Chenega (aka Chanega)	Native Village of Savoonga	Traditional Village of Togiak
Native Village of Chignik Lagoon	Native Village of Scammon Bay	Tuluksak Native Community
Native Village of Chitina	Native Village of Selawik	Twin Hills Village
Native Village of Chuathbaluk (Russian Mission, Kuskokwim)	Native Village of Shaktoolik	Ugashik Village
Native Village of Council	Native Village of Shishmaref	
Native Village of Deering	Native Village of Shungnak	
Native Village of Diomedea (aka Inalik)	Native Village of Stevens	
Native Village of Eagle	Native Village of Tanacross	
Native Village of Eek	Native Village of Tanana	
Native Village of Ekuk	Native Village of Tatitlek	
Native Village of Ekuk	Native Village of Tazlina	
Native Village of Ekwok (previously listed as Ekwok Village)	Native Village of Teller	
	Native Village of Tetlin	

Federally Recognized Indian Tribes (Continued)

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Umkumiut Native Village (previously listed as Umkumiute Native Village)  
 Village of Alakanuk  
 Village of Anaktuvuk Pass  
 Village of Aniak  
 Village of Atmautluak  
 Village of Bill Moore's Slough  
 Village of Chefornak  
 Village of Clarks Point  
 Village of Crooked Creek  
 Village of Dot Lake  
 Village of Iliamna  
 Village of Kalskag  
 Village of Kaltag  
 Village of Kotlik  
 Village of Lower Kalskag  
 Village of Ohogamiut  
 Village of Red Devil  
 Village of Salamatoff  
 Village of Sleetmute  
 Village of Solomon  
 Village of Stony River  
 Village of Venetie (See Native Village of Venetie Tribal Government)  
 Village of Wainwright  
 Wrangell Cooperative Association  
 Yakutat Tlingit Tribe  
 Yupiit of Andreafski

[FR Doc. 2016-10408 Filed 5-3-16; 8:45 am]  
 BILLING CODE 4337-15-P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[LLID100000.L10200000.PH0000  
 LXSS024D0000 241 A 4500088890]

Notice of Public Meeting, Idaho Falls District Resource Advisory Council Meeting

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Notice of public meetings.

**SUMMARY:** In accordance with the Federal Land Policy and Management Act (FLPMA) and the Federal Advisory Committee Act of 1972 (FACA), the U.S. Department of the Interior, Bureau of Land Management (BLM) Idaho Falls District Resource Advisory Council (RAC), will meet as indicated below.

**DATES:** The Idaho Falls District RAC will meet in Idaho Falls, Idaho, June 6-7, 2016 for a two-day meeting. The first day will begin at 9:00 a.m. at the BLM Idaho Falls Office, 1405 Hollipark Drive, Idaho Falls, Idaho, with new member orientation. The entire RAC will convene at 1:00 p.m. A comment period will be held June 6, following introductions from 1:00-1:30. The second day will begin at same location starting at 8:30 a.m. adjourning at 1:00 p.m. Members of the public are invited to attend.

**SUPPLEMENTARY INFORMATION:** The first day will be new member orientation in

the morning to explain the development of the BLM and purpose of the RAC. At 1:00 p.m. the rest of the RAC will convene to elect a secretary and continue with the full agenda. Topics include the sage-grouse implementation and discussion on bighorn/domestic sheep. On June 7, the RAC will meet at the Upper Snake Field Office at 8:30 a.m. to continue discussion on sage-grouse. The group will depart for the field at 9:30 a.m. to travel to the Medicine Lodge area to view allotments where potential conflicts exists between bighorn sheep and domestic sheep and discuss Lands with Wilderness Characteristics (LWC). The meeting will adjourn around 1:30 p.m.

The 15-member Council advises the Secretary of the Interior, through the Bureau of Land Management, on a variety of planning and management issues associated with public land management in the BLM Idaho Falls District (IFD), which covers eastern Idaho.

All meetings are open to the public. The public may present written comments to the Council. Each formal Council meeting will also have time allocated for hearing public comments. Depending on the number of persons wishing to comment and time available, the time for individual oral comments may be limited. Individuals who plan to attend and need special assistance, such as sign language interpretation, tour transportation or other reasonable accommodations, should contact the BLM as provided below.

**FOR FURTHER INFORMATION CONTACT:** Sarah Wheeler, RAC Coordinator, Idaho Falls District, 1405 Hollipark Dr., Idaho Falls, ID 83401. Telephone: (208) 524-7550. Email: [sawheeler@blm.gov](mailto:sawheeler@blm.gov).

Dated: April 25, 2016.

**Sarah Wheeler,**  
*Resource Advisory Council Coordinator, BLM Idaho Falls District.*

[FR Doc. 2016-10400 Filed 5-3-16; 8:45 am]  
 BILLING CODE 4310-GG-P

INTERNATIONAL TRADE COMMISSION

[USITC SE-16-015]

Government in the Sunshine Act Meeting Notice

**TIME AND DATE:** May 11, 2016 at 11 a.m.

**PLACE:** Room 101, 500 E Street SW., Washington, DC 20436, Telephone: (202) 205-2000.

**STATUS:** Open to the public.

**MATTERS TO BE CONSIDERED:**

1. Agendas for future meetings: None.

2. Minutes.

3. Ratification List.

4. Vote in Inv. No. 731-TA-1315 (Preliminary)(Ferrovanadium from Korea). The Commission is currently scheduled to complete and file its determination on May 12, 2016; views of the Commission are currently scheduled to be completed and filed on May 19, 2016.

5. Outstanding action jackets: none.

In accordance with Commission policy, subject matter listed above, not disposed of at the scheduled meeting, may be carried over to the agenda of the following meeting.

By order of the Commission.

Dated: May 2, 2016.

**William R. Bishop,**  
*Supervisory Hearings and Information Officer.*

[FR Doc. 2016-10540 Filed 5-2-16; 4:15 pm]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-531-532 and 731-TA-1270-1273 (Final)]

Polyethylene Terephthalate Resin From Canada, China, India, and Oman

Determinations

On the basis of the record<sup>1</sup> developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that an industry in the United States is materially injured by reason of imports of polyethylene terephthalate ("PET") resin, provided for in subheading 3907.60.00 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV") with respect to Canada, China, India, and Oman and have been found by Commerce to be subsidized by the governments of China and India.<sup>2</sup>

Background

The Commission, pursuant to sections 705(b) and 735(b) of the Tariff Act of 1930 (19 U.S.C. 1671d(b) and 19 U.S.C. 1673d(b)), instituted these investigations effective March 10, 2015,

<sup>1</sup> The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

<sup>2</sup> All six Commissioners voted in the affirmative. The Commission also finds that imports subject to Commerce's affirmative critical circumstances determinations are not likely to undermine seriously the remedial effect of the countervailing and antidumping duty orders on PET resin from India.





**Impact of Agricultural Act of 2014 and Agricultural Improvement Act of 2018 on CRP-1 Payment Eligibility and Payment Limitation**

**Note:** See subparagraph 470 F for forms required for AGI provisions.

Type of Action	Date Action Was Approved		Applicable Payment Eligibility/Limitation Rules	Forms	Example
	10/1/02 Through 9/30/08	10/1/08 or Later			
<b>New CRP-1</b>			Based on original CRP-1 <b>Approval Date:</b> Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	COC approves original CRP-1 <b>after</b> October 1, 2002.
<b>Succession-in-Interest</b> (When CRP-1 was <b>not</b> subject to AGI before succession.)			Based on original CRP-1 <b>Effective Date:</b> Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	New producer succeeds to a 1999 CRP-1 approved July 1, 2004. According to 1-PL, AGI rules do <b>not</b> apply for CRP-1 with an effective date before October 1, 2002; therefore, AGI rules will <b>not</b> apply to the successor.
<b>Succession-in-Interest</b> (When CRP-1 was subject to AGI before succession.)			Based on the CRP-1 succession <b>Effective Date:</b> Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	New producer succeeds to a 2004 CRP-1, effective August 1, 2009. (1-PL rules apply for life of CRP-1 based on the original October 1, 2003, effective date.)
	<b>Before 12/29/06</b>				
<b>REX Extension</b> (When CRP-1 was <b>not</b> previously subject to AGI.)			Based on CRP-1 <b>Extended Period Start Date:</b> Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	COC approves a 3-year extension to a 1997 CRP-1 on November 16, 2006. Effective date of the extension is October 1, 2007. (CRP-1F Addendum activates AGI from the CRP-1 extended period.)
<b>REX Re-Enrollment</b> (Created new CRP-1 subject to AGI.)			Based on the reenrollment CRP-1 <b>Approval Date:</b> Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	COC approves a reenrollment (new CRP-1) for a 2000 CRP-1 on December 5, 2006. Effective date for the reenrollment is October 1, 2010. (1-PL rules will apply based on the approval date <b>before</b> October 1, 2008.)
<b>New CRP-1</b>			Based on CRP-1 <b>Approval Date:</b> Direct Attribution.	CCC-901 CCC-902 <u>1/</u> CCC-931 CCC-933 CCC-941	COC approves original CRP-1 <b>after</b> October 1, 2008.
<b>Succession-in-Interest</b> (When CRP-1 was subject to 2008 Act AGI before succession.)			Based on CRP-1 <b>Approval Date:</b> Direct Attribution.	CCC-901 CCC-902 <u>1/</u> CCC-931 CCC-931C	New producer succeeds to a 2009 CRP-1, effective August 1, 2011.

1/ CCC-902 parts that are applicable according to paragraph 63.

Impact of Agricultural Act of 2014 and Agricultural Improvement Act of 2018 on CRP-1 Payment Eligibility and Payment Limitation (Continued)

Type of Action	Applicable Payment Eligibility/Limitation Rules	Forms	Example
<b>Action Approved 10/1/02 thru 9/30/08</b>			
<b>New CRP-1</b>	Based on CRP-1 <b>Effective Date:</b> Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	New CRP-1 is approved September 10, 2008. New producer succeeds to a 1999 CRP-1, effective July 1, 2008.
<b>Succession-in-Interest</b> (When CRP-1 was not subject to AGI before succession.)	Based on the parent CRP-1 <b>Effective Date:</b> Person, actively engaged in farming, permitted entity.		
<b>Succession-in-Interest</b> (When CRP-1 was subject to AGI before succession.)	Based on the parent CRP-1 <b>Effective Date:</b> Person, actively engaged in farming, permitted entity.		New producer succeeds to a 2004 CRP-1, effective August 1, 2008.
<b>REX Extension</b> (When CRP-1 was not previously subject to AGI.)	Based on the <b>Extended Period Start Date:</b> Person, actively engaged in farming, permitted entity.		COC approves a 3-year extension to a 2000 CRP-1 on November 16, 2006. Effective date of the extension is October 1, 2010.
<b>Re-Enrollment</b> (New CRP-1 subject to AGI.)	Based on the re-enrollment CRP-1 <b>Approval Date:</b> Person, actively engaged in farming, permitted entity.		COC approves a re-enrollment (new CRP-1) on December 5, 2006. Effective date for the re-enrollment is October 1, 2009.
<b>Action Approved 10/1/08 or Later</b>			
<b>New CRP-1</b>	Based on CRP-1 <b>Approval Date:</b> Direct Attribution.	CCC-901 CCC-902 1/	New CRP-1 is approved on December 12, 2009.
<b>Succession-in-Interest</b> (When CRP-1 was not subject to AGI before succession.)	Based on the original CRP-1 <b>Approval Date:</b> Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	New producer succeeds to a 2001 CRP-1, approved December 10, 2008.
<b>Succession-in-Interest</b> (When CRP-1 was subject to AGI before succession.) REX Extension during the extended period.	Based on CRP-1 <b>Approval Date:</b> Person, actively engaged in farming, permitted entity.	CCC-501A CCC-501B CCC-502	New producer succeeds to a 2006 CRP-1, approved June 10, 2009.
<b>Succession-in-Interest</b> (When CRP-1 was subject to 2008 Act AGI before succession.)	Based on CRP-1 <b>Approval Date:</b> Direct Attribution.	CCC-901 CCC-902 1/ CCC-931 CCC-931C	New producer succeeds to a 2009 CRP-1 effective August 31, 2010.

1/ CCC-902 parts that are applicable according to paragraph 63.

## Determining AGI and Average AGI

### A Using IRS Data for AGI Determinations

This table provides guidance on AGI determinations using data reported to the IRS.

<b>IF determining AGI for...</b>	<b>THEN see IRS...</b>	<b>AND use the amount entered on...</b>
corporations	1120	either of the following: <ul style="list-style-type: none"> <li>line 30 (total taxable income) <b>plus</b> line 19 (charitable contributions)</li> <li><b>for S corporations, use only IRS-1120S, line 21 (ordinary business income).</b></li> </ul>
estates or trusts	1041	line 22 (taxable income) <b>plus</b> line 13 (charitable deductions).
LLC's, LLP's, LP's, or other similar type organization	1065	line 22 (total income from trade or business) <b>plus</b> line 10 (guaranteed payments to partners).
persons	1040	line 37 (AGI).
tax-exempt or charitable organizations	990-T	line 34 (unrelated business taxable income) <b>minus</b> income that CCC determined to be from noncommercial activity.

**Note:** Variations of the referenced IRS tax forms, or comparable forms, may apply in which the line items for the appropriate income amounts will be different.

### B Examples and Illustrations for Each of These IRS Tax Forms

The following pages contain examples and illustrations of the locations of these line items on each of the IRS tax forms.

Determining AGI and Average AGI (Continued)

C IRS Form 1120

<b>1120</b> Form Department of the Treasury Internal Revenue Service		<b>U.S. Corporation Income Tax Return</b> For calendar year 2015 or tax year beginning _____, 2015, ending _____, 20____		OMB No. 1545-0123 <b>2015</b>
Information about Form 1120 and its separate instructions is at <a href="http://www.irs.gov/form1120">www.irs.gov/form1120</a> .				
<b>A</b> Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>		<b>TYPE OR PRINT</b> Name _____ Number, street, and room or suite no. If a P.O. box, see instructions. _____ City or town, state, or province, country, and ZIP or foreign postal code _____		<b>B</b> Employer identification number _____  <b>C</b> Date incorporated _____  <b>D</b> Total assets (see instructions) \$ _____
<b>E</b> Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change				
Income	1a	Gross receipts or sales	1a	
	b	Returns and allowances	1b	
	c	Balance. Subtract line 1b from line 1a	1c	
	2	Cost of goods sold (attach Form 1125-A)	2	
	3	Gross profit. Subtract line 2 from line 1c	3	
	4	Dividends (Schedule C, line 19)	4	
	5	Interest	5	
	6	Gross rents	6	
	7	Gross royalties	7	
	8	Capital gain net income (attach Schedule D (Form 1120))	8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	
10	Other income (see instructions—attach statement)	10		
11	<b>Total income.</b> Add lines 3 through 10	11		
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (see instructions—attach Form 1125-E)	12	
	13	Salaries and wages (less employment credits)	13	
	14	Repairs and maintenance	14	
	15	Bad debts	15	
	16	Rents	16	
	17	Taxes and licenses	17	
	18	Interest	18	
	19	Charitable contributions	19	
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	
	21	Depletion	21	
	22	Advertising	22	
	23	Pension, profit-sharing, etc., plans	23	
	24	Employee benefit programs	24	
	25	Domestic production activities deduction (attach Form 8903)	25	
	26	Other deductions (attach statement)	26	
	27	<b>Total deductions.</b> Add lines 12 through 26	27	
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.	28	
	29a	Net operating loss deduction (see instructions)	29a	
b	Special deductions (Schedule C, line 20)	29b		
c	Add lines 29a and 29b	29c		
Tax, Refundable Credits, and Payments	30	<b>Taxable income.</b> Subtract line 29c from line 28 (see instructions)	30	
	31	Total tax (Schedule J, Part I, line 11)	31	
	32	Total payments and refundable credits (Schedule J, Part II, line 21)	32	
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	33	
	34	<b>Amount owed.</b> If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	
	35	<b>Overpayment.</b> If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35	
36	Enter amount from line 35 you want: <b>Credited to 2016 estimated tax</b> ▶ <b>Refunded</b> ▶	36		
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.				
<b>Sign Here</b> Signature of officer _____ Date _____ Title _____		May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>Paid Preparer Use Only</b> Print/Type preparer's name _____ Preparer's signature _____ Date _____ Firm's name _____ Firm's EIN _____ Firm's address _____ Phone no. _____		Check <input type="checkbox"/> if self-employed PTIN _____		
For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11450Q Form 1120 (2015)				

Determining AGI and Average AGI (Continued)

D IRS Form 1120S

Form <b>1120S</b> Department of the Treasury Internal Revenue Service	<b>U.S. Income Tax Return for an S Corporation</b> ▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. ▶ Information about Form 1120S and its separate instructions is at <a href="http://www.irs.gov/form1120s">www.irs.gov/form1120s</a> .	OMB No. 1545-0123  <div style="font-size: 24pt; font-weight: bold; text-align: center;">2015</div>																																																																																										
For calendar year 2015 or tax year beginning _____, 2015, ending _____, 20____																																																																																												
<b>A</b> S election effective date _____	<b>B</b> Business activity code number (see instructions) _____	<b>D</b> Employer identification number _____  <b>E</b> Date incorporated _____  <b>F</b> Total assets (see instructions) \$ _____																																																																																										
<b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>																																																																																												
<b>G</b> Is the corporation electing to be an S corporation beginning with this tax year? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach Form 2553 if not already filed <b>H</b> Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination or revocation <b>I</b> Enter the number of shareholders who were shareholders during any part of the tax year _____ ▶																																																																																												
<b>Caution:</b> Include <b>only</b> trade or business income and expenses on lines 1a through 21. See the instructions for more information.																																																																																												
<b>Income</b>	1a Gross receipts or sales . . . . . 1b Returns and allowances . . . . . 2 Cost of goods sold (attach Form 1125-A) . . . . . 3 Gross profit. Subtract line 2 from line 1c . . . . . 4 Net gain (loss) from Form 4797, line 17 (attach Form 4797) . . . . . 5 Other income (loss) (see instructions—attach statement) . . . . . 6 <b>Total income (loss).</b> Add lines 3 through 5 . . . . . ▶	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:5%;">1a</td><td style="width:15%;"></td><td style="width:5%;"></td><td style="width:5%;"></td><td style="width:5%;"></td><td style="width:5%;"></td></tr> <tr><td>1b</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>1c</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>2</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>3</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>4</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>5</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>6</td><td></td><td></td><td></td><td></td><td></td></tr> </table>	1a						1b						1c						2						3						4						5						6																																															
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<b>Deductions</b> <small>(see instructions for limitations)</small>	7 Compensation of officers (see instructions—attach Form 1125-E) . . . . . 8 Salaries and wages (less employment credits) . . . . . 9 Repairs and maintenance . . . . . 10 Bad debts . . . . . 11 Rents . . . . . 12 Taxes and licenses . . . . . 13 Interest . . . . . 14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) . . . . . 15 Depletion ( <b>Do not deduct oil and gas depletion.</b> ) . . . . . 16 Advertising . . . . . 17 Pension, profit-sharing, etc., plans . . . . . 18 Employee benefit programs . . . . . 19 Other deductions (attach statement) . . . . . 20 <b>Total deductions.</b> Add lines 7 through 19 . . . . . ▶ 21 <b>Ordinary business income (loss).</b> Subtract line 20 from line 6 . . . . .	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:5%;">7</td><td style="width:15%;"></td><td style="width:5%;"></td><td style="width:5%;"></td><td style="width:5%;"></td><td style="width:5%;"></td></tr> <tr><td>8</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>9</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>10</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>11</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>12</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>13</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>14</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>15</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>16</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>17</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>18</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>19</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>20</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>21</td><td></td><td></td><td></td><td></td><td></td></tr> </table>	7						8						9						10						11						12						13						14						15						16						17						18						19						20						21					
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<b>Tax and Payments</b>	22a Excess net passive income or LIFO recapture tax (see instructions) . . . . . 22b Tax from Schedule D (Form 1120S) . . . . . 22c Add lines 22a and 22b (see instructions for additional taxes) . . . . . 23a 2015 estimated tax payments and 2014 overpayment credited to 2015 . . . . . 23b Tax deposited with Form 7004 . . . . . 23c Credit for federal tax paid on fuels (attach Form 4136) . . . . . 23d Add lines 23a through 23c . . . . . 24 Estimated tax penalty (see instructions). Check if Form 2220 is attached . . . . . <input type="checkbox"/> 25 <b>Amount owed.</b> If line 23d is smaller than the total of lines 22c and 24, enter amount owed . . . . . 26 <b>Overpayment.</b> If line 23d is larger than the total of lines 22c and 24, enter amount overpaid . . . . . 27 Enter amount from line 26 <b>Credited to 2016 estimated tax</b> ▶ <b>Refunded</b> ▶	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:5%;">22a</td><td style="width:15%;"></td><td style="width:5%;"></td><td style="width:5%;"></td><td style="width:5%;"></td><td style="width:5%;"></td></tr> <tr><td>22b</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>22c</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>23a</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>23b</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>23c</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>23d</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>24</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>25</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>26</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td>27</td><td></td><td></td><td></td><td></td><td></td></tr> </table>	22a						22b						22c						23a						23b						23c						23d						24						25						26						27																													
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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.																																																																																												
<b>Sign Here</b>  <b>Paid Preparer Use Only</b>	Signature of officer _____ Date _____ Title _____  Print/type preparer's name _____ Preparer's signature _____ Date _____ Firm's name ▶ _____ Firm's address ▶ _____	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No  Check <input type="checkbox"/> if self-employed PTIN _____ Firm's EIN ▶ _____ Phone no. _____																																																																																										
For Paperwork Reduction Act Notice, see separate instructions. <span style="float: right;">Cat. No. 11510H Form 1120S (2015)</span>																																																																																												

Determining AGI and Average AGI (Continued)

E IRS Form 1041

Form	<b>1041</b> U.S. Income Tax Return for Estates and Trusts	<b>2015</b>	OMB No. 1545-0092
Department of the Treasury — Internal Revenue Service			
▶ Information about Form 1041 and its separate instructions is at <a href="http://www.irs.gov/form1041">www.irs.gov/form1041</a> .			
<b>A</b> Check all that apply: <input type="checkbox"/> Decedent's estate <input type="checkbox"/> Simple trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Qualified disability trust <input type="checkbox"/> ESBT (S portion only) <input type="checkbox"/> Grantor type trust <input type="checkbox"/> Bankruptcy estate—Ch. 7 <input type="checkbox"/> Bankruptcy estate—Ch. 11 <input type="checkbox"/> Pooled income fund		For calendar year 2015 or fiscal year beginning _____, 2015, and ending _____, 20____ <b>C Employer identification number</b> _____ <b>D Date entity created</b> _____ <b>E Nonexempt charitable and split-interest trusts, check applicable box(es), see instructions.</b> <input type="checkbox"/> Described in sec. 4947(a)(1). Check here if not a private foundation . . . ▶ <input type="checkbox"/> <input type="checkbox"/> Described in sec. 4947(a)(2) <input type="checkbox"/> Net operating loss carryback <input type="checkbox"/> Change in fiduciary's address	
<b>B</b> Number of Schedules K-1 attached (see instructions) ▶ _____ <b>F</b> Check applicable boxes: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Change in trust's name <input type="checkbox"/> Change in fiduciary <input type="checkbox"/> Change in fiduciary's name <input type="checkbox"/> Trust TIN ▶ _____		<b>G</b> Check here if the estate or filing trust made a section 645 election . . . . . <input type="checkbox"/> Trust TIN ▶ _____	
<b>1</b> Interest income . . . . . <b>1</b> <b>2a</b> Total ordinary dividends . . . . . <b>2a</b> <b>b</b> Qualified dividends allocable to: (1) Beneficiaries . . . . . (2) Estate or trust <b>3</b> Business income or (loss). Attach Schedule C or C-EZ (Form 1040) . . . . . <b>3</b> <b>4</b> Capital gain or (loss). Attach Schedule D (Form 1041) . . . . . <b>4</b> <b>5</b> Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040) . . . . . <b>5</b> <b>6</b> Farm income or (loss). Attach Schedule F (Form 1040) . . . . . <b>6</b> <b>7</b> Ordinary gain or (loss). Attach Form 4797 . . . . . <b>7</b> <b>8</b> Other income. List type and amount . . . . . <b>8</b> <b>9 Total income.</b> Combine lines 1, 2a, and 3 through 8 . . . . . ▶ <b>9</b>			
<b>10</b> Interest. Check if Form 4952 is attached ▶ <input type="checkbox"/> <b>10</b> <b>11</b> Taxes . . . . . <b>11</b> <b>12</b> Fiduciary fees . . . . . <b>12</b> <b>13 Charitable deduction (from Schedule A, line 7)</b> . . . . . <b>13</b> <b>14</b> Attorney, accountant, and return preparer fees . . . . . <b>14</b> <b>15a</b> Other deductions <b>not</b> subject to the 2% floor (attach schedule) . . . . . <b>15a</b> <b>b</b> Net operating loss deduction (see instructions) . . . . . <b>15b</b> <b>c</b> Allowable miscellaneous itemized deductions subject to the 2% floor . . . . . <b>15c</b> <b>16</b> Add lines 10 through 15c . . . . . ▶ <b>16</b> <b>17</b> Adjusted total income or (loss). Subtract line 16 from line 9 . . . . . <b>17</b> <b>18</b> Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041) . . . . . <b>18</b> <b>19</b> Estate tax deduction including certain generation-skipping taxes (attach computation) . . . . . <b>19</b> <b>20</b> Exemption . . . . . <b>20</b> <b>21</b> Add lines 18 through 20 . . . . . ▶ <b>21</b> <b>22 Taxable income.</b> Subtract line 21 from line 17. If a loss, see instructions . . . . . <b>22</b> <b>23 Total tax</b> (from Schedule G, line 7) . . . . . <b>23</b> <b>24 Payments:</b> a 2015 estimated tax payments and amount applied from 2014 return . . . . . <b>24a</b> <b>b</b> Estimated tax payments allocated to beneficiaries (from Form 1041-T) . . . . . <b>24b</b> <b>c</b> Subtract line 24b from line 24a . . . . . <b>24c</b> <b>d</b> Tax paid with Form 7004 (see instructions) . . . . . <b>24d</b> <b>e</b> Federal income tax withheld. If any is from Form(s) 1099, check ▶ <input type="checkbox"/> <b>24e</b> Other payments: fForm 2439 _____; g Form 4136 _____; Total ▶ <b>24h</b>			
<b>25 Total payments.</b> Add lines 24c through 24e, and 24h . . . . . ▶ <b>25</b> <b>26</b> Estimated tax penalty (see instructions) . . . . . <b>26</b> <b>27 Tax due.</b> If line 25 is smaller than the total of lines 23 and 26, enter amount owed . . . . . <b>27</b> <b>28 Overpayment.</b> If line 25 is larger than the total of lines 23 and 26, enter amount overpaid . . . . . <b>28</b> <b>29</b> Amount of line 28 to be: <b>a Credited to 2016 estimated tax</b> ▶ _____; <b>b Refunded</b> ▶ _____ <b>29</b>			
<b>Sign Here</b> Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Signature of fiduciary or officer representing fiduciary _____ Date _____ EIN of fiduciary if a financial institution _____		May the IRS discuss this return with the preparer shown below (see instr.)? <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Paid Preparer Use Only</b> Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check <input type="checkbox"/> if self-employed PTIN _____ Firm's name ▶ _____ Firm's EIN ▶ _____ Firm's address ▶ _____ Phone no. _____			
For Paperwork Reduction Act Notice, see the separate instructions. <span style="float: right;">Cat. No. 11370H Form 1041 (2015)</span>			

Determining AGI and Average AGI (Continued)

F IRS Form 1040

Form <b>1040</b>		Department of the Treasury—Internal Revenue Service (99)		<b>2015</b>		OMB No. 1545-0074		IRS Use Only—Do not write or staple in this space	
For the year Jan. 1–Dec. 31, 2015, or other tax year beginning		, 2015, ending		, 20		See separate instructions.			
Your first name and initial		Last name				Your social security number			
If a joint return, spouse's first name and initial		Last name				Spouse's social security number			
Home address (number and street). If you have a P.O. box, see instructions.						Apt. no.		▲ Make sure the SSN(s) above and on line 6c are correct.	
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).						Presidential Election Campaign			
Foreign country name		Foreign province/state/county		Foreign postal code		Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse			
<b>Filing Status</b>		1 <input type="checkbox"/> Single		4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶					
Check only one box.		2 <input type="checkbox"/> Married filing jointly (even if only one had income)		5 <input type="checkbox"/> Qualifying widow(er) with dependent child					
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶									
<b>Exemptions</b>		6a <input type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a		6b <input type="checkbox"/> Spouse		Boxes checked on 6a and 6b			
		c Dependents:		(2) Dependent's social security number		(3) Dependent's relationship to you		(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)	
If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>		(1) First name		Last name					
								No. of children on 6c who:	
								• lived with you	
								• did not live with you due to divorce or separation (see instructions)	
								Dependents on 6c not entered above	
								Add numbers on lines above ▶	
<b>Income</b>		7 Wages, salaries, tips, etc. Attach Form(s) W-2		7					
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.		8a Taxable interest. Attach Schedule B if required		8a					
If you did not get a W-2, see instructions.		b Tax-exempt interest. Do not include on line 8a		8b					
		9a Ordinary dividends. Attach Schedule B if required		9a					
		b Qualified dividends		9b					
		10 Taxable refunds, credits, or offsets of state and local income taxes		10					
		11 Alimony received		11					
		12 Business income or (loss). Attach Schedule C or C-EZ		12					
		13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>		13					
		14 Other gains or (losses). Attach Form 4797		14					
		15a IRA distributions		15a		b Taxable amount		15b	
		16a Pensions and annuities		16a		b Taxable amount		16b	
		17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17					
		18 Farm income or (loss). Attach Schedule F		18					
		19 Unemployment compensation		19					
		20a Social security benefits		20a		b Taxable amount		20b	
		21 Other income. List type and amount		21					
		22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶		22					
<b>Adjusted Gross Income</b>		23 Educator expenses		23					
		24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ		24					
		25 Health savings account deduction. Attach Form 8889		25					
		26 Moving expenses. Attach Form 3903		26					
		27 Deductible part of self-employment tax. Attach Schedule SE		27					
		28 Self-employed SEP, SIMPLE, and qualified plans		28					
		29 Self-employed health insurance deduction		29					
		30 Penalty on early withdrawal of savings		30					
		31a Alimony paid b Recipient's SSN ▶		31a					
		32 IRA deduction		32					
		33 Student loan interest deduction		33					
		34 Tuition and fees. Attach Form 8917		34					
		35 Domestic production activities deduction. Attach Form 8903		35					
		36 Add lines 23 through 35		36					
		37 Subtract line 36 from line 22. This is your adjusted gross income ▶		37					
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.						Cat. No. 11320B		Form 1040 (2015)	

Determining AGI and Average AGI (Continued)

G IRS Form 990-T

<p><b>Form 990-T</b></p> <p>Department of the Treasury Internal Revenue Service</p>	<p><b>Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))</b></p> <p>For calendar year 2015 or other tax year beginning _____, 2015, and ending _____, 20____.</p> <p>▶ Information about Form 990-T and its instructions is available at <a href="http://www.irs.gov/form990t">www.irs.gov/form990t</a>. ▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).</p>	<p>OMB No. 1545-0687</p> <p style="font-size: 24pt; font-weight: bold;">2015</p> <p style="font-size: 8pt;">Open to Public Inspection for 501(c)(3) Organizations Only</p>	
<p><b>A</b> <input type="checkbox"/> Check box if address changed</p> <p><b>B</b> Exempt under section  <input type="checkbox"/> 501(c)( ) ( )  <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e)  <input type="checkbox"/> 408A <input type="checkbox"/> 530(a)  <input type="checkbox"/> 529(a)</p>	<p>Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.)</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions.</p> <p>City or town, state or province, country, and ZIP or foreign postal code</p>	<p><b>D</b> Employer identification number (Employees' trust, see instructions.)</p> <p><b>E</b> Unrelated business activity codes (See instructions.)</p>	
<p><b>C</b> Book value of all assets at end of year</p>	<p><b>F</b> Group exemption number (See instructions.) ▶</p> <p><b>G</b> Check organization type ▶ <input type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>		
<p><b>H</b> Describe the organization's primary unrelated business activity. ▶</p> <p><b>I</b> During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . ▶ <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," enter the name and identifying number of the parent corporation. ▶</p> <p><b>J</b> The books are in care of ▶ Telephone number ▶</p>			
<p><b>Part I Unrelated Trade or Business Income</b></p>			
	(A) Income	(B) Expenses	(C) Net
<b>1a</b> Gross receipts or sales			
<b>b</b> Less returns and allowances			
<b>2</b> Cost of goods sold (Schedule A, line 7)			
<b>3</b> Gross profit. Subtract line 2 from line 1c			
<b>4a</b> Capital gain net income (attach Schedule D)			
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
<b>c</b> Capital loss deduction for trusts			
<b>5</b> Income (loss) from partnerships and S corporations (attach statement)			
<b>6</b> Rent income (Schedule C)			
<b>7</b> Unrelated debt-financed income (Schedule E)			
<b>8</b> Interest, annuities, royalties, and rents from controlled organizations (Schedule F)			
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
<b>10</b> Exploited exempt activity income (Schedule I)			
<b>11</b> Advertising income (Schedule J)			
<b>12</b> Other income (See instructions; attach schedule)			
<b>13</b> Total. Combine lines 3 through 12			
<p><b>Part II Deductions Not Taken Elsewhere</b> (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)</p>			
<b>14</b> Compensation of officers, directors, and trustees (Schedule K)			
<b>15</b> Salaries and wages			
<b>16</b> Repairs and maintenance			
<b>17</b> Bad debts			
<b>18</b> Interest (attach schedule)			
<b>19</b> Taxes and licenses			
<b>20</b> Charitable contributions (See instructions for limitation rules)			
<b>21</b> Depreciation (attach Form 4562)			
<b>22</b> Less depreciation claimed on Schedule A and elsewhere on return			
<b>23</b> Depletion			
<b>24</b> Contributions to deferred compensation plans			
<b>25</b> Employee benefit programs			
<b>26</b> Excess exempt expenses (Schedule I)			
<b>27</b> Excess readership costs (Schedule J)			
<b>28</b> Other deductions (attach schedule)			
<b>29</b> Total deductions. Add lines 14 through 28			
<b>30</b> Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			
<b>31</b> Net operating loss deduction (limited to the amount on line 30)			
<b>32</b> Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			
<b>33</b> Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)			
<b>34</b> Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32.			



## **Section 179 Depreciation – Information, Examples, and Illustrations**

### **A Section 179 Depreciation Expense**

Section 179 depreciation expense is an elected expense that may reduce the AGI of the following:

- Individual
- Partnership
- Corporation
- Subchapter S corporation
- Limited liability company (LLC).

**Note:** An estate or trust **cannot** make this election.

### **B Applicability and Limitations**

An elected section 179 depreciation expense deduction is:

- allowable for all tax years used in the calculation of the \$900,000 AGI amount for the 2011 and subsequent crop, program, and FY's
- an annual amount calculated by the tax filer.

### **C Calculation of Section 179 Depreciation Expense**

Qualified tax filers that elect this expense deduction:

- complete IRS Form 4562, *Depreciation and Amortization*, for the calculation of the maximum deduction amount allowable
- enter this amount on the appropriate line item on the appropriate tax form(s)
- attach the completed IRS Form 4562 to the tax forms filed with the IRS.

### **D AGI Determination and Section 179 Expense Deductions**

If a producer elected and reported a section 179 expense deduction on IRS tax filings, this deduction, if allowable and equal to the maximum amount determined on Form 4562:

- may or may not be included in the IRS calculations of the income amounts as shown at specific line items on the applicable tax filings
- if not included in the IRS calculations on the tax forms, additional or manual calculations will be necessary to account for this deduction in determining AGI when using these specific income amounts as reported to the IRS on the producer's tax filings.

## Section 179 Depreciation – Information, Examples, and Illustrations (Continued)

### E Record of Calculated Section 179 Depreciation Expense Amount on IRS Tax Forms

If elected, deduction amounts are recorded, or included in the amounts as recorded, on each IRS tax form and line item as follows:

- Form 4562, *Depreciation and Amortization*, line 12
- Form 1040, *U.S. Individual Income Tax Return*, line 18
- Form 1065, *U.S. Return of Partnership Income*, line 16c
- Form 1120, *U.S. Corporation Income Tax Return*, line 20
- Form 1120S, *U.S. Income Tax Return for an S Corporation*, line 14
- Schedule K-1 (Form 1065), *Partner's Share of Income, Deductions, Credits*, line 12
- Schedule K-1 (Form 1120S), *Shareholder's Share of Income, Deductions, Credits*, line 11,
- Schedule F, *Profit or Loss From Farming*, line 14.

**Note:** For a pass-through entity such as an subchapter S-corporation, this deduction will not be shown on Form 1065 or 1120S filed for the legal entity, but on the K-1's completed for each individual shareholder (**cannot** be an estate or trust) that elects a deduction allowance in the amount that corresponds to their level of interest held in the legal entity.

### F Examples and Illustrations for Each of These IRS Tax Form

The following pages contain examples and illustrations of the location of section 179 depreciation amounts, if calculated and elected, on each of the IRS tax forms.

Section 179 Depreciation – Information, Examples, and Illustrations (Continued)

G IRS Form 4562

<p><b>Form 4562</b></p> <p>Department of the Treasury Internal Revenue Service (99)</p>	<p><b>Depreciation and Amortization</b> (Including Information on Listed Property) ▶ Attach to your tax return. ▶ Information about Form 4562 and its separate instructions is at <a href="http://www.irs.gov/form4562">www.irs.gov/form4562</a>.</p>	<p>OMB No. 1545-0172</p> <p><b>2015</b> Attachment Sequence No. 179</p>				
Name(s) shown on return		Identifying number				
<p><b>Part I Election To Expense Certain Property Under Section 179</b>  <b>Note:</b> If you have any listed property, complete Part V before you complete Part I.</p>						
1	Maximum amount (see instructions)	1				
2	Total cost of section 179 property placed in service (see instructions)	2				
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3				
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4				
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5				
6	(a) Description of property	(b) Cost (business use only)				
		(c) Elected cost				
7	Listed property. Enter the amount from line 29	7				
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8				
9	Tentative deduction. Enter the smaller of line 5 or line 8	9				
10	Carryover of disallowed deduction from line 13 of your 2014 Form 4562	10				
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11				
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12				
13	Carryover of disallowed deduction to 2016. Add lines 9 and 10, less line 12	13				
<p><b>Note:</b> Do not use Part II or Part III below for listed property. Instead, use Part V.</p>						
<p><b>Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)</b> (See instructions.)</p>						
14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14				
15	Property subject to section 168(f)(1) election	15				
16	Other depreciation (including ACRS)	16				
<p><b>Part III MACRS Depreciation (Do not include listed property.)</b> (See instructions.)</p>						
<p><b>Section A</b></p>						
17	MACRS deductions for assets placed in service in tax years beginning before 2015	17				
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>					
<p><b>Section B—Assets Placed in Service During 2015 Tax Year Using the General Depreciation System</b></p>						
(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business investment or use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property					
b	5-year property					
c	7-year property					
d	property					
e	property					
f	property					
g	property		25 yrs.		S/L	
h	rental		27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i	real		39 yrs.	MM	S/L	
				MM	S/L	
<p><b>Section C—Assets Placed in Service During 2015 Tax Year Using the Alternative Depreciation System</b></p>						
20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year		40 yrs.	MM	S/L	
<p><b>Summary</b> (See instructions.)</p>						
21	Listed property. Enter amount from line 28					21
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions					22
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs					
For Paperwork Reduction Act Notice, see separate instructions.			Cat. No. 12906N		Form 4562 (2015)	

Section 179 Depreciation – Information, Examples, and Illustrations (Continued)

H IRS Form 1040

Form <b>1040</b> Department of the Treasury – Internal Revenue Service (99) <b>2015</b> U.S. Individual Income Tax Return		OMB No. 1545-0074	IRS Use Only – Do not write or staple in this space.
For the year Jan. 1–Dec. 31, 2015, or other tax year beginning		, 2015, ending , 20	
Your first name and initial		Last name	
Your social security number			
If a joint return, spouse's first name and initial		Last name	
Spouse's social security number			
Home address (number and street). If you have a P.O. box, see instructions.		Apt. no.	
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).		<b>▲ Make sure the SSN(s) above and on line 6c are correct.</b> <input type="checkbox"/> You <input type="checkbox"/> Spouse	
Foreign country name		Foreign province/state/county	
		Foreign postal code	
<b>Filing Status</b> Check only one box.		<b>Presidential Election Campaign</b> Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.	
1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶		4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ 5 <input type="checkbox"/> Qualifying widow(er) with dependent child	
<b>Exemptions</b> 6a <input type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a. b <input type="checkbox"/> Spouse		<b>Boxes checked on 6a and 6b</b> No. of children on 6c who: • lived with you • did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above Add numbers on lines above ▶	
c <b>Dependents:</b> (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)			
If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>			
d Total number of exemptions claimed			
<b>Income</b> Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a W-2, see instructions.		7 Wages, salaries, tips, etc. Attach Form(s) W-2 8a Taxable interest. Attach Schedule B if required b Tax-exempt interest. Do not include on line 8a 8b 9a Ordinary dividends. Attach Schedule B if required b Qualified dividends 9b 10 Taxable refunds, credits, or offsets of state and local income taxes 10 11 Alimony received 11 12 Business income or (loss). Attach Schedule C or C-EZ 12 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/> 13 14 Other gains or (losses). Attach Form 4797 14 15a IRA distributions 15a Taxable amount 15b 16a Pensions and annuities 16a Taxable amount 16b 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 18 Farm income or (loss). Attach Schedule F 18 19 Unemployment compensation 19 20a Social security benefits 20a Taxable amount 20b 21 Other income. List type and amount 21 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶ 22	
<b>Adjusted Gross Income</b>		23 Educator expenses 23 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24 25 Health savings account deduction. Attach Form 8889 25 26 Moving expenses. Attach Form 3903 26 27 Deductible part of self-employment tax. Attach Schedule SE 27 28 Self-employed SEP, SIMPLE, and qualified plans 28 29 Self-employed health insurance deduction 29 30 Penalty on early withdrawal of savings 30 31a Alimony paid b Recipient's SSN ▶ 31a 32 IRA deduction 32 33 Student loan interest deduction 33 34 Tuition and fees. Attach Form 8917 34 35 Domestic production activities deduction. Attach Form 8903 35 36 Add lines 23 through 35 36 37 Subtract line 36 from line 22. This is your adjusted gross income ▶ 37	
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form <b>1040</b> (2015)			

Section 179 Depreciation – Information, Examples, and Illustrations (Continued)

I IRS Form 1065

<b>1065</b> <small>Form</small> Department of the Treasury Internal Revenue Service	<b>U.S. Return of Partnership Income</b> For calendar year 2015, or tax year beginning ..... , 2015, ending ..... , 20..... Information about Form 1065 and its separate instructions is at <a href="http://www.irs.gov/form1065">www.irs.gov/form1065</a> .	OMB No. 1545-0123 <b>2015</b>
<b>A</b> Principal business activity	Name of partnership	<b>D</b> Employer identification number
<b>B</b> Principal product or service	Type or Print Number, street, and room or suite no. If a P.O. box, see the instructions.	<b>E</b> Date business started
<b>C</b> Business code number	City or town, state or province, country, and ZIP or foreign postal code	<b>F</b> Total assets (see the instructions) \$
<b>G</b> Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return (6) <input type="checkbox"/> Technical termination - also check (1) or (2)		
<b>H</b> Check accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶ .....		
<b>I</b> Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ .....		
<b>J</b> Check if Schedules C and M-3 are attached <input type="checkbox"/>		
<b>Caution.</b> Include <b>only</b> trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.		
<b>Income</b>	<b>1a</b> Gross receipts or sales <b>1b</b> Returns and allowances <b>1c</b> Balance. Subtract line 1b from line 1a. <b>2</b> Cost of goods sold (attach Form 1125-A) <b>3</b> Gross profit. Subtract line 2 from line 1c. <b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach statement). <b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040)) <b>6</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) <b>7</b> Other income (loss) (attach statement) <b>8</b> <b>Total income (loss).</b> Combine lines 3 through 7	1a 1b 1c 2 3 4 5 6 7 8
<b>Deductions</b> <small>(see the instructions for limitations)</small>	<b>9</b> Salaries and wages (other than to partners) (less employment credits) <b>10</b> Guaranteed payments to partners <b>11</b> Repairs and maintenance. <b>12</b> Bad debts. <b>13</b> Rent. <b>14</b> Taxes and licenses. <b>15</b> Interest. <b>16a</b> Depreciation (if required, attach Form 4562). <b>16b</b> Less depreciation reported on Form 1125-A and elsewhere on return <b>17</b> Depletion (Do not deduct oil and gas depletion.) <b>18</b> Retirement plans, etc. <b>19</b> Employee benefit programs. <b>20</b> Other deductions (attach statement) <b>21</b> <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20. <b>22</b> <b>Ordinary business income (loss).</b> Subtract line 21 from line 8	9 10 11 12 13 14 15 16a 16b 17 18 19 20 21 22
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.	
	Signature of general partner or limited liability company member manager _____ Date _____	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name _____ Preparer's signature _____ Firm's name ▶ _____ Firm's address ▶ _____	Date _____ Check <input type="checkbox"/> if self-employed Firm's EIN ▶ _____ Phone no. _____
For Paperwork Reduction Act Notice, see separate instructions.		
Cat. No. 11390Z		Form <b>1065</b> (2015)

Section 179 Depreciation – Information, Examples, and Illustrations (Continued)

J IRS Form 1120

<p><b>Form 1120</b> Department of the Treasury Internal Revenue Service</p>	<p><b>U.S. Corporation Income Tax Return</b> For calendar year 2015 or tax year beginning _____, 2015, ending _____, 2015, ending _____, 2015 Information about Form 1120 and its separate instructions is at <a href="http://www.irs.gov/form1120">www.irs.gov/form1120</a>.</p>	<p>OMB No. 1545-0123 <b>2015</b></p>
<p><b>A Check if:</b></p> <p>1a Consolidated return (attach Form 851) <input type="checkbox"/></p> <p>b Life/nonlife consolidated return <input type="checkbox"/></p> <p>2 Personal holding co. (attach Sch. PH) <input type="checkbox"/></p> <p>3 Personal service corp. (see instructions) <input type="checkbox"/></p> <p>4 Schedule M-3 attached <input type="checkbox"/></p>		
<p><b>TYPE OR PRINT</b></p> <p>Name _____</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. _____</p> <p>City or town, state, or province, country, and ZIP or foreign postal code _____</p>		<p><b>B Employer identification number</b> _____</p> <p><b>C Date incorporated</b> _____</p> <p><b>D Total assets (see instructions)</b> \$ _____</p>
<p><b>E Check if:</b> (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change</p>		
<b>Income</b>	<p>1a Gross receipts or sales <span style="float:right">1a</span></p> <p>b Returns and allowances <span style="float:right">1b</span></p> <p>c Balance. Subtract line 1b from line 1a <span style="float:right">1c</span></p> <p>2 Cost of goods sold (attach Form 1125-A) <span style="float:right">2</span></p> <p>3 Gross profit. Subtract line 2 from line 1c <span style="float:right">3</span></p> <p>4 Dividends (Schedule C, line 19) <span style="float:right">4</span></p> <p>5 Interest <span style="float:right">5</span></p> <p>6 Gross rents <span style="float:right">6</span></p> <p>7 Gross royalties <span style="float:right">7</span></p> <p>8 Capital gain net income (attach Schedule D (Form 1120)) <span style="float:right">8</span></p> <p>9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) <span style="float:right">9</span></p> <p>10 Other income (see instructions—attach statement) <span style="float:right">10</span></p> <p>11 <b>Total income.</b> Add lines 3 through 10 <span style="float:right">11</span></p>	
<b>Deductions (See instructions for limitations on deductions.)</b>	<p>12 Compensation of officers (see instructions—attach Form 1125-E) <span style="float:right">12</span></p> <p>13 Salaries and wages (less employment credits) <span style="float:right">13</span></p> <p>14 Repairs and maintenance <span style="float:right">14</span></p> <p>15 Bad debts <span style="float:right">15</span></p> <p>16 Rents <span style="float:right">16</span></p> <p>17 Taxes and licenses <span style="float:right">17</span></p> <p>18 Interest <span style="float:right">18</span></p> <p>19 Charitable contributions <span style="float:right">19</span></p> <p>20 <b>Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)</b> <span style="float:right">20</span></p> <p>21 Depletion <span style="float:right">21</span></p> <p>22 Advertising <span style="float:right">22</span></p> <p>23 Pension, profit-sharing, etc., plans <span style="float:right">23</span></p> <p>24 Employee benefit programs <span style="float:right">24</span></p> <p>25 Domestic production activities deduction (attach Form 8903) <span style="float:right">25</span></p> <p>26 Other deductions (attach statement) <span style="float:right">26</span></p> <p>27 <b>Total deductions.</b> Add lines 12 through 26 <span style="float:right">27</span></p> <p>28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11. <span style="float:right">28</span></p> <p>29a Net operating loss deduction (see instructions) <span style="float:right">29a</span></p> <p>b Special deductions (Schedule C, line 20) <span style="float:right">29b</span></p> <p>c Add lines 29a and 29b <span style="float:right">29c</span></p>	
<b>Tax, Refundable Credits, and Payments</b>	<p>30 <b>Taxable income.</b> Subtract line 29c from line 28 (see instructions) <span style="float:right">30</span></p> <p>31 Total tax (Schedule J, Part I, line 11) <span style="float:right">31</span></p> <p>32 Total payments and refundable credits (Schedule J, Part II, line 21) <span style="float:right">32</span></p> <p>33 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> <span style="float:right">33</span></p> <p>34 <b>Amount owed.</b> If line 32 is smaller than the total of lines 31 and 33, enter amount owed <span style="float:right">34</span></p> <p>35 <b>Overpayment.</b> If line 32 is larger than the total of lines 31 and 33, enter amount overpaid <span style="float:right">35</span></p> <p>36 Enter amount from line 35 you want: <b>Credited to 2016 estimated tax</b> <span style="float:right">36</span> <span style="margin-left: 20px;">Refunded <input type="checkbox"/></span></p>	
<p>Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.</p>		
<b>Sign Here</b>	<p>Signature of officer _____ Date _____ Title _____</p>	
<b>Paid Preparer Use Only</b>	<p>Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check <input type="checkbox"/> if self-employed PTIN _____</p> <p>Firm's name _____ Firm's EIN _____</p> <p>Firm's address _____ Phone no. _____</p>	
<p>For Paperwork Reduction Act Notice, see separate instructions. <span style="float:right">Cat. No. 11450Q Form 1120 (2015)</span></p>		

Section 179 Depreciation – Information, Examples, and Illustrations (Continued)

K IRS Form 1120S

Form <b>1120S</b> Department of the Treasury Internal Revenue Service	<b>U.S. Income Tax Return for an S Corporation</b> ▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. ▶ Information about Form 1120S and its separate instructions is at <a href="http://www.irs.gov/form1120s">www.irs.gov/form1120s</a> .	OMB No. 1545-0123 <div style="font-size: 2em; font-weight: bold; margin-top: 5px;">2015</div>																																																																																																																																																						
For calendar year 2015 or tax year beginning _____, 2015, ending _____, 20																																																																																																																																																								
<b>A</b> S election effective date _____	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; text-align: center;"><b>TYPE</b></td> <td>Name</td> </tr> <tr> <td style="text-align: center;"><b>OR</b></td> <td>Number, street, and room or suite no. If a P.O. box, see instructions.</td> </tr> <tr> <td style="text-align: center;"><b>PRINT</b></td> <td>City or town, state or province, country, and ZIP or foreign postal code</td> </tr> </table>	<b>TYPE</b>	Name	<b>OR</b>	Number, street, and room or suite no. If a P.O. box, see instructions.	<b>PRINT</b>	City or town, state or province, country, and ZIP or foreign postal code	<b>D</b> Employer identification number _____ <b>E</b> Date incorporated _____ <b>F</b> Total assets (see instructions) \$ _____																																																																																																																																																
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<b>G</b> Is the corporation electing to be an S corporation beginning with this tax year? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach Form 2553 if not already filed																																																																																																																																																								
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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.																																																																																																																																																								
<b>Sign Here</b> Signature of officer _____ Date _____ Title _____	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No																																																																																																																																																							
<b>Paid Preparer Use Only</b> Print/Type preparer's name _____ Preparer's signature _____ Date _____ Firm's name _____ Firm's EIN _____ Firm's address _____ Phone no. _____	Check <input type="checkbox"/> if self-employed PTIN _____																																																																																																																																																							
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Section 179 Depreciation – Information, Examples, and Illustrations (Continued)

L IRS Form 1120S, Schedule K-1

Final K-1     Amended K-1    OMB No. 1545-0123

671113

**Schedule K-1  
(Form 1120S)**  
Department of the Treasury  
Internal Revenue Service

2015

For calendar year 2015, or tax  
year beginning \_\_\_\_\_, 2015  
ending \_\_\_\_\_, 20\_\_\_\_

**Part III Shareholder's Share of Current Year Income,  
Deductions, Credits, and Other Items**

<b>1</b>	Ordinary business income (loss)	<b>13</b>	Credits
<b>2</b>	Net rental real estate income (loss)		
<b>3</b>	Other net rental income (loss)		
<b>4</b>	Interest income		
<b>5a</b>	Ordinary dividends		
<b>5b</b>	Qualified dividends	<b>14</b>	Foreign transactions
<b>6</b>	Royalties		
<b>7</b>	Net short-term capital gain (loss)		
<b>8a</b>	Net long-term capital gain (loss)		
<b>8b</b>	Collectibles (28%) gain (loss)		
<b>8c</b>	Unrecaptured section 1250 gain		
<b>9</b>	Net section 1231 gain (loss)		
<b>10</b>	Other income (loss)	<b>15</b>	Alternative minimum tax (AMT) items
<b>11</b>	Section 179 deduction	<b>16</b>	Items affecting shareholder basis
<b>12</b>	Other deductions		
		<b>17</b>	Other information

**Shareholder's Share of Income, Deductions, Credits, etc.**    ▶ See back of form and separate instructions.

**Part I Information About the Corporation**

**A** Corporation's employer identification number

**B** Corporation's name, address, city, state, and ZIP code

**C** IRS Center where corporation filed return

**Part II Information About the Shareholder**

**D** Shareholder's identifying number

**E** Shareholder's name, address, city, state, and ZIP code

**F** Shareholder's percentage of stock ownership for tax year \_\_\_\_\_ %

For IRS Use Only

\* See attached statement for additional information.

For Paperwork Reduction Act Notice, see Instructions for Form 1120S.    IRS.gov/form1120s    Cat. No. 11520D    Schedule K-1 (Form 1120S) 2015



Section 179 Depreciation – Information, Examples, and Illustrations (Continued)

M IRS Form 1040, Schedule F

<p><b>SCHEDULE F</b> <b>(Form 1040)</b></p> <p>Department of the Treasury Internal Revenue Service (99)</p>	<p><b>Profit or Loss From Farming</b></p> <p>▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B. ▶ Information about Schedule F and its separate instructions is at <a href="http://www.irs.gov/schedulef">www.irs.gov/schedulef</a>.</p>	<p>OMB No. 1545-0074</p> <p><b>2015</b> Attachment Sequence No. <b>14</b></p>
<p>Name of proprietor</p>		<p>Social security number (SSN)</p>
<p><b>A</b> Principal crop or activity</p>	<p><b>B</b> Enter code from Part IV</p>	<p><b>C</b> Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual</p>
<p><b>D</b> Employer ID number (EIN), (see instr)</p>		
<p><b>E</b> Did you "materially participate" in the operation of this business during 2015? If "No," see instructions for limit on passive losses <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>F</b> Did you make any payments in 2015 that would require you to file Form(s) 1099 (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>G</b> If "Yes," did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p><b>Part I Farm Income – Cash Method.</b> Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 9.)</p>		
<p>1a Sales of livestock and other resale items (see instructions)</p>	<p>1a</p>	
<p>b Cost or other basis of livestock or other items reported on line 1a</p>	<p>1b</p>	
<p>c Subtract line 1b from line 1a</p>		<p>1c</p>
<p>2 Sales of livestock, produce, grains, and other products you raised</p>		<p>2</p>
<p>3a Cooperative distributions (Form(s) 1099-PATR)</p>	<p>3a</p>	<p>3b Taxable amount</p>
<p>4a Agricultural program payments (see instructions)</p>	<p>4a</p>	<p>4b Taxable amount</p>
<p>5a Commodity Credit Corporation (CCC) loans reported under election</p>		<p>5a</p>
<p>b CCC loans forfeited</p>	<p>5b</p>	<p>5c Taxable amount</p>
<p>6 Crop insurance proceeds and federal crop disaster payments (see instructions)</p>		
<p>a Amount received in 2015</p>	<p>6a</p>	<p>6b Taxable amount</p>
<p>c If election to defer to 2016 is attached, check here <input type="checkbox"/></p>		<p>6d Amount deferred from 2014</p>
<p>7 Custom hire (machine work) income</p>		<p>7</p>
<p>8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)</p>		<p>8</p>
<p>9 <b>Gross income.</b> Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50 (see instructions)</p>		<p>9</p>
<p><b>Part II Farm Expenses – Cash and Accrual Method.</b> Do not include personal or living expenses (see instructions).</p>		
<p>10 Car and truck expenses (see instructions). Also attach Form 4562</p>	<p>10</p>	<p>23 Pension and profit-sharing plans</p>
<p>11 Chemicals</p>	<p>11</p>	<p>24 Rent or lease (see instructions):</p>
<p>12 Conservation expenses (see instructions)</p>	<p>12</p>	<p>a Vehicles, machinery, equipment</p>
<p>13 Custom hire (machine work)</p>	<p>13</p>	<p>b Other (land, animals, etc.)</p>
<p>14 <b>Depreciation and section 179 expense (see instructions)</b></p>	<p>14</p>	<p>25 Repairs and maintenance</p>
<p>15 Employee benefit programs other than on line 23</p>	<p>15</p>	<p>26 Seeds and plants</p>
<p>16 Feed</p>	<p>16</p>	<p>27 Storage and warehousing</p>
<p>17 Fertilizers and lime</p>	<p>17</p>	<p>28 Supplies</p>
<p>18 Freight and trucking</p>	<p>18</p>	<p>29 Taxes</p>
<p>19 Gasoline, fuel, and oil</p>	<p>19</p>	<p>30 Utilities</p>
<p>20 Insurance (other than health)</p>	<p>20</p>	<p>31 Veterinary, breeding, and medicine</p>
<p>21 Interest:</p>		<p>32 Other expenses (specify):</p>
<p>a Mortgage (paid to banks, etc.)</p>	<p>21a</p>	<p>a</p>
<p>b Other</p>	<p>21b</p>	<p>b</p>
<p>22 Labor hired (less employment credits)</p>	<p>22</p>	<p>c</p>
		<p>d</p>
		<p>e</p>
		<p>f</p>
<p>23a</p>		<p>32a</p>
<p>23b</p>		<p>32b</p>
<p>23c</p>		<p>32c</p>
<p>23d</p>		<p>32d</p>
<p>23e</p>		<p>32e</p>
<p>23f</p>		<p>32f</p>
<p>33 <b>Total expenses.</b> Add lines 10 through 32f. If line 32f is negative, see instructions</p>		<p>33</p>
<p>34 <b>Net farm profit or (loss).</b> Subtract line 33 from line 9</p>		<p>34</p>
<p>If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.</p>		
<p>35 Did you receive an applicable subsidy in 2015? (see instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>36 Check the box that describes your investment in this activity and see instructions for where to report your loss.</p>		
<p>a <input type="checkbox"/> All investment is at risk.      b <input type="checkbox"/> Some investment is not at risk.</p>		
<p>For Paperwork Reduction Act Notice, see the separate instructions.      Cat. No. 11346H      Schedule F (Form 1040) 2015</p>		

Section 179 Depreciation – Information, Examples, and Illustrations (Continued)

N IRS Form 1065, Schedule K-1

<p><b>Schedule K-1</b> <b>(Form 1065)</b></p> <p>Department of the Treasury Internal Revenue Service</p>	<p><b>2015</b></p>	<p style="text-align: right;">651113</p> <p style="text-align: right;">OMB No. 1545-0123</p> <p style="text-align: right;"><input type="checkbox"/> Final K-1    <input type="checkbox"/> Amended K-1</p>																								
<p>For calendar year 2015, or tax year beginning _____, 2015 ending _____, 20____</p>																										
<p><b>Partner's Share of Income, Deductions, Credits, etc.</b>    ▶ See back of form and separate instructions.</p>																										
<p><b>Part I Information About the Partnership</b></p>																										
<p><b>A</b> Partnership's employer identification number</p>																										
<p><b>B</b> Partnership's name, address, city, state, and ZIP code</p>																										
<p><b>C</b> IRS Center where partnership filed return</p>																										
<p><b>D</b> <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)</p>																										
<p><b>Part II Information About the Partner</b></p>																										
<p><b>E</b> Partner's identifying number</p>																										
<p><b>F</b> Partner's name, address, city, state, and ZIP code</p>																										
<p><b>G</b> <input type="checkbox"/> General partner or LLC member-manager    <input type="checkbox"/> Limited partner or other LLC member</p>																										
<p><b>H</b> <input type="checkbox"/> Domestic partner    <input type="checkbox"/> Foreign partner</p>																										
<p><b>I1</b> What type of entity is this partner? _____</p>																										
<p><b>I2</b> If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here <input type="checkbox"/></p>																										
<p><b>J</b> Partner's share of profit, loss, and capital (see instructions):</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 10%; text-align: center;">Beginning</th> <th style="width: 10%;"></th> <th style="width: 10%; text-align: center;">Ending</th> <th style="width: 10%;"></th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td style="text-align: center;">%</td> <td style="border-left: 1px solid black;"></td> <td style="text-align: center;">%</td> <td style="border-left: 1px solid black;"></td> <td></td> </tr> <tr> <td>Loss</td> <td style="text-align: center;">%</td> <td style="border-left: 1px solid black;"></td> <td style="text-align: center;">%</td> <td style="border-left: 1px solid black;"></td> <td></td> </tr> <tr> <td>Capital</td> <td style="text-align: center;">%</td> <td style="border-left: 1px solid black;"></td> <td style="text-align: center;">%</td> <td style="border-left: 1px solid black;"></td> <td></td> </tr> </tbody> </table>				Beginning		Ending			Profit	%		%			Loss	%		%			Capital	%		%		
	Beginning		Ending																							
Profit	%		%																							
Loss	%		%																							
Capital	%		%																							
<p><b>K</b> Partner's share of liabilities at year end:</p> <p>Nonrecourse . . . . . \$ _____</p> <p>Qualified nonrecourse financing . . . \$ _____</p> <p>Recourse . . . . . \$ _____</p>																										
<p><b>L</b> Partner's capital account analysis:</p> <p>Beginning capital account . . . . . \$ _____</p> <p>Capital contributed during the year . . . \$ _____</p> <p>Current year increase (decrease) . . . \$ _____</p> <p>Withdrawals &amp; distributions . . . . . \$ ( _____ )</p> <p>Ending capital account . . . . . \$ _____</p> <p><input type="checkbox"/> Tax basis    <input type="checkbox"/> GAAP    <input type="checkbox"/> Section 704(b) book</p> <p><input type="checkbox"/> Other (explain)</p>																										
<p><b>M</b> Did the partner contribute property with a built-in gain or loss?</p> <p><input type="checkbox"/> Yes    <input type="checkbox"/> No</p> <p>If "Yes," attach statement (see instructions)</p>																										
<p><b>Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items</b></p>																										
<b>1</b>	Ordinary business income (loss)		<b>15</b>	Credits																						
<b>2</b>	Net rental real estate income (loss)																									
<b>3</b>	Other net rental income (loss)		<b>16</b>	Foreign transactions																						
<b>4</b>	Guaranteed payments																									
<b>5</b>	Interest income																									
<b>6a</b>	Ordinary dividends																									
<b>6b</b>	Qualified dividends																									
<b>7</b>	Royalties																									
<b>8</b>	Net short-term capital gain (loss)																									
<b>9a</b>	Net long-term capital gain (loss)		<b>17</b>	Alternative minimum tax (AMT) items																						
<b>9b</b>	Collectibles (28%) gain (loss)																									
<b>9c</b>	Unrecaptured section 1250 gain																									
<b>10</b>	Net section 1231 gain (loss)		<b>18</b>	Tax-exempt income and nondeductible expenses																						
<b>11</b>	Other income (loss)																									
<b>12</b>	Section 179 deduction																									
<b>13</b>	Other deductions		<b>19</b>	Distributions																						
<b>14</b>	Self-employment earnings (loss)																									
<b>20</b>				Other information																						
<p>*See attached statement for additional information.</p>																										
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">For IRS Use Only</p>																										
<p>For Paperwork Reduction Act Notice, see Instructions for Form 1065.    IRS.gov/form1065    Cat. No. 11394R    Schedule K-1 (Form 1065) 2015</p>																										

**Memorandum of Agreement**

The following is the Memorandum of Agreement between NRCS, FSA, and CCC for implementing common provisions, including payment eligibility and payment limitation provisions through September 30, 2014.

<p style="text-align:center"><b>Memorandum of Agreement (MOA)</b></p> <p style="text-align:center"><b>Between</b></p> <p style="text-align:center"><b>Natural Resources Conservation Service (NRCS),</b></p> <p style="text-align:center"><b>Farm Service Agency (FSA), and</b></p> <p style="text-align:center"><b>Commodity Credit Corporation (CCC)</b></p> <p style="text-align:center"><b>For</b></p> <p style="text-align:center"><b>Implementation of Common Provisions, Including</b></p> <p style="text-align:center"><b>Payment Eligibility and Payment Limitation Provisions</b></p> <p style="text-align:center"><b>Through September 30, 2014</b></p> <p>I. PURPOSE</p> <p>The purpose of this (MOA) is to provide for the implementation, cooperation, expectations and responsibilities between FSA, NRCS, and CCC in administering provisions common to the agencies including all payment eligibility and payment imitation provisions as found in the Food, Security Act of 1985, as amended by the Agricultural Act of 2014, and regulations at 7 CFR Part 1400</p> <p>II. GENERAL PROVISIONS</p> <p>FSA and NRCS administer various farm commodity and conservation programs in which participants are subject to payment eligibility and payment limitation requirements in 7 CFR Part 1400. The administration of these programs requires the obtaining of information, determination of eligibility, and maintenance of this data. FSA has the administrative responsibilities for collecting and maintaining data that includes the name and address of the participant (SCIMS and farm records); information about the participant's farming operation (subsidiary files); and information on the participant's annual income (AGI files). FSA uses this information to make determinations of the participant's eligibility for program payments and restrictions on the amount of such payments that can be received by the participant, both directly and indirectly, for direct attribution. FSA has developed custom software applications for web-based environments to store the eligibility data of all participants. FSA maintains this data and ensures the credibility and accuracy of this data. FSA performs the administrative compliance duties of the payment eligibility requirements and determinations of all participants of record. As such, FSA has also entered into agreements with the IRS and the Social Security Administration to verify and validate the accuracy of the participant information. FSA provides this data and develops common eligibility routines for use by NRCS in the administration of conservation programs for which they have responsibility.</p>
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**Memorandum of Agreement (Continued)**

**III. AUTHORITY**

This MOA is authorized by Title I of the Agricultural Act of 2014, Farm Security and Rural Investment Act of 2002 (2002 Act), Title I of the Food, Conservation, and Energy Act of 2008 (2008 Act), the American Taxpayer Relief Act of 2012, and Title XII of the Food Security Act of 1985 (1985 Act), as amended. Other authorities may also apply.

**IV. RESPONSIBILITIES**

**A. FSA and CCC responsibilities:**

1. In consultation with NRCS, develop and maintain rules, regulations, policies, and procedures that govern payment eligibility, payment limitation and average adjusted gross income (AGI) limitation requirements common to multiple programs administered by FSA and NRCS.
2. Annually publicize and provide information on all requirements of payment eligibility, payment limitation, and AGI limitations.
3. Provide leadership and guidance to all USDA agencies as needed on all payment eligibility, payment limitation and average AGI limitation issues.
4. Provide consultation regarding common policies and procedures between FSA and NRCS leadership.
5. Develop and maintain information collection processes necessary to obtain program participant information such as name and address; farming operation types and locations; legal entity types; farm and nonfarm income data as reported to the IRS for periods of at least three years (CCC-902; CCC-901; CCC-941; CCC-931; CCC-933; CCC-931C; CCC-526C; and, other forms and documents determined applicable).
6. Timely make determinations regarding the participant's eligibility for program benefits and the amounts that can be received annually.
7. Annually, or as otherwise applicable, obtain an acceptable certification of average AGI from all persons, legal entities, and members of legal entities for the appropriate reporting time period.
8. Develop common eligibility routines for use by FSA and NRCS. Significant changes to existing routines, or the addition of new routines, will be planned in conjunction with NRCS and with adequate testing time allowed prior to implementation.
9. Record determinations for payment eligibility and payment limitation purposes for immediate use by both FSA and NRCS in payment processing.

**Memorandum of Agreement (Continued)**

10. Timely provide written notice to program participants of the determinations made for payment eligibility and payment limitation purposes with rights to appeal if determinations are considered adverse.
11. Timely acknowledge appeals and administrative hearing proceedings on all appeals.
12. Maintain the administrative case files on appeal hearings with the National Appeals Division (NAD).
13. Respond to any further administrative proceedings as necessary with NAD for appeals, reconsiderations and reviews.
14. Develop software user requirements and technical specifications, program, test, implement, and maintain common software routines used by all agencies to determine eligibility, payment eligibility, payment limitation, and average AGI limitations. Maintain a software test environment as well as a software production environment.
15. Maintain FSA and NRCS customer records for Farm and Tract Eligibility (FTE), and Highly Erodible Land Conservation and Wetland Conservation (AD-1026).
16. Make available and allow secure access by NRCS software applications via web-services to the current data on all program participants that includes information recorded in SCIMS, farm tract records, entity files, subsidiary files and eligibility files as developed under regulations pertaining to FSA.
17. Make available to program participants the appropriate forms for Consent for IRS to disclose pertinent information to FSA for AGI limitation compliance purposes.
18. Process information and data returned from the IRS for participants that previously submitted valid consent forms to the IRS.
19. On a regular basis as data is returned from IRS, record and update eligibility files for participants with average AGI amounts below the threshold levels as verified with IRS data.
20. Notify participants that appear to have average AGI amounts above the threshold levels of the results of the IRS data analysis, and require all such participants to provide actual tax records or other acceptable documentation within 30 days to demonstrate that average AGI does not exceeds the established limits.

**Memorandum of Agreement (Continued)**

21. Revise business rules to not allow any payment activity or otherwise disable all eligibility files for participants that are notified that average AGI amounts have been determined to be above the applicable thresholds for payment eligibility.
  22. Review tax data and other information provided by program participants with questionable AGI amounts and conclusively determine AGI compliance.
  23. Notify participants subject to the AGI review the results of the evaluation and determination of AGI compliance for the applicable year or years reviewed.
  24. Provide to NRCS a list of participants determined to be non-compliant with the average AGI limitations for appropriate actions
  25. Conduct regular reconciliation processes to identify participants that have received current year benefits, but have not been included on any data return from the IRS, which indicates a consent form has not been submitted.
  26. Provide to NRCS a list of participants identified as current year payment recipients, but have not provided a consent form to the IRS for appropriate follow-up actions.
- B. NRCS responsibilities:
1. Make available to program participants the appropriate forms needed for payment eligibility and payment limitation purposes.
  2. Make available to program participants the appropriate forms for Consent for IRS to disclose pertinent information to FSA for AGI limitation compliance purposes.
  3. Timely deliver to the local FSA office any forms and documentation completed for payment eligibility and payment limitation purposes by participants of NRCS-administered programs.
  4. Timely reimburse FSA and/or CCC no less than one-third of the annual cost that IRS will charge FSA/CCC for the average AGI validation process. Based on the estimated annual cost for FY 2014 of \$x,xxx,xxx, the reimbursable amount is \$xxx,xxx.

**Memorandum of Agreement (Continued)**

**V. MISCELLANEOUS PROVISIONS**

1. FSA, CCC and NRCS mutually agree to cooperate at all levels to ensure consistent implementation of all payment eligibility and payment limitation requirements applicable to all conservation programs.
2. It is mutually agreed that this Agreement is effective when signed by all parties and shall continue in full force and effect through September 30, 2014. This Agreement may be terminated at any time with thirty days notice by one party. Should this Agreement be terminated, billing will be submitted for services rendered prior to the date of termination for which payment has not been received. This Agreement may be modified by amendment duly executed by officials of FSA and NRCS. NRCS and FSA will enter annually into a National Level Reimbursement Agreement (Form AD-672) based on this interagency agreement and any amendments hereto.
3. Neither CCC, FSA, nor NRCS, shall assign or transfer any rights or obligations under this Agreement without prior written approval of the other party.
4. CCC, FSA and NRCS agree that, to the extent possible under applicable law, each party will be solely responsible for its own acts omissions, and the results thereof, and shall not be responsible for the results thereof caused by the acts or omissions of the other party.
5. The Deputy Administrator for Farm Programs, Farm Service Agency or the Deputy Administrator designee or successor, is delegated authority to carry out this Agreement for FSA and CCC, and, with the NRCS Chief, or designee, may further amend this Agreement consistent with the provisions of the 1985 Act, as amended, and the regulations at 7 CFR Part 1400. The provisions of this Agreement may only be modified by written agreement between the parties.

Memorandum of Agreement (Continued)

6. All parties to this MOA will comply fully with the information gathering provisions of section 1619 of the 2008 Act, the Privacy Act, the Freedom of Information Act, and any other related acts concerning privacy and the dissemination of records.

FARM SERVICE AGENCY/  
COMMODITY CREDIT CORPORATION

NATURAL RESOURCES  
CONSERVATION SERVICE



5/13/14  
Date



Gayle N. Barry, Deputy Chief for Management

8-14  
Date



**IRS-3210, Document Transmittal**

**A Example of IRS-3210**

The following is an example of a completed IRS-3210, which is available in a fillable format at <http://intranet.fsa.usda.gov>. CLICK **“FFAS Employee Forms/Publications Site”** and CLICK **“Find Current Forms Using Our Form Number Search”**. For “Form Number”, ENTER **“3210”**.

<b>DOCUMENT TRANSMITTAL</b>		<b>TO:</b>  IRS RAIVS USDA Stop 6152 S2 Kansas City, MO 64108		PAGE ____ OF ____
<b>DOCUMENT IDENTIFICATION</b>			<b>REMARKS:</b>  Date:	
<b>QUANTITY</b>	<b>TYPE</b>			<b>REC'D</b>
<b>FROM:</b>		Releasing Official		
		Received and Verified		
		Originator Telephone Number		
		Date Acknowledged		
FORM IRS-3210				

## IRS-3210, Document Transmittal (Continued)

### B Instructions for Completing IRS-3210

County Offices must do the following:

- complete IRS-3210 according to the instructions and example provided
- submit **2 copies of completed IRS-3210** along with the AGI consent forms to IRS
- for multiple pages, number at the top right-hand corner, such as Page 1 of 10 (etc.).

Complete IRS-3210 as follows.

- In the block, **DOCUMENTATION IDENTIFICATION**, enter “CCC-941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information”.
- In the block **QUANTITY**, leave blank.
- In the block **TYPE**, enter “I” for an individual; or “E” for a legal entity.
- In **REC’D**, enter the name from each CCC-941 as it appears on the form.

**Note:** Group CCC-941’s separately by year. CED must sign IRS-3210, certifying to the following:

- IRS-3210 was completed according to instructions
- each CCC-941 in the bundle has been listed individually
- all necessary actions were completed for CCC-941’s according to subparagraph 301 F.


Any additional documentation submitted **should only be what is required to support the consent form** such as Durable Power of Attorney or Letter of Testamentary. The documentation must be attached to the consent form.

**Note:** County Offices **must retain a copy of the submitted CCC-941’s and IRS-3210’s**.

Receipt of IRS-3210 by the County Office will serve as validation that a consent form was accepted by IRS as submitted for that producer.

## Example of IRS Notice 1398

Following is an example of IRS Notice 1398.

 <p>Department of the Treasury <b>Internal Revenue Service</b></p> <p><b>Notice 1398</b> (Rev. October 2016)</p> <hr/> <p><b>U.S. Department of Agriculture Form CCC-941 Consent To Disclosure of Tax Information - Individual and Legal Entity</b></p> <p><input type="checkbox"/> Your USDA Form CCC-941 is being returned to you due to incomplete or illegible entries. The following information is required on USDA Form CCC-941:</p> <p><input type="checkbox"/> Person's name and address for Form CCC-941 or the Legal entity's name and address for Form CCC-941 (must be entered as it appears on the returns filed for the taxable year indicated checked in Box 4).</p> <p><input type="checkbox"/> Enter the complete social security number of the individual identified in Box 2 of Form CCC-941 or enter the complete employer identification number of the legal entity identified in Box 2 of Form CCC-941.</p> <p><input type="checkbox"/> The social security number or employer identification number in Box 3 is:</p> <p><input type="checkbox"/> Missing <input type="checkbox"/> Incomplete <input type="checkbox"/> Does not match our records</p> <p><input type="checkbox"/> Indicate the appropriate year in Box 4 to indicate the 3 year period(s) used for determination of the average adjusted gross income for payment eligibility.</p> <hr/> <p style="text-align: center;">(over)</p> <hr/> <p>www.IRS.gov <span style="float: right;">Notice <b>1398</b> (Rev. 10-2016) Cat. No. 55010A</span></p>
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Example of IRS Notice 1398 (Continued)

Signature of the individual identified in Box 2 of Form CCC-941 or the signature of the individual authorized under State law to represent the legal entity identified in Box 2 of Form CCC-941 is missing.

The title or relationship to the legal entity identified in Box 2 of Form CCC-941 was not entered in Box 7.

Form CCC-941 must have a signature date in Box 8, in the format of month, day, and year.

The signature on Form CCC-941 must be within 120 days of the received date.

For the Signature of an approved Power of Attorney (POA), Administrator, or Executor proper court documentation must be provided. Our records do not show and/or proper court documentation was not attached to approve the signed consent form.

No record was found on our Master file. No return filed for years checked using SSN/EIN provided in Box 3. Therefore, we are unable to process.

EIN/SSN belongs to a minor with no return for year indicated in Box 4 of Form CCC-941.

Only one individual or legal entity may be entered in Box 2 of Form CCC-941. Multiple requests on one form will be returned.

Please submit a new completed request to:  
Internal Revenue Service  
P.O. Box 24033  
Fresno, CA 93779

If you have any questions, contact your local  
USDA Service Center.

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Notice **1398** (Rev. 10-2016)

**Explanation of the IRS Rejection Message, “No Record Found on Master File”, and Recommended FSA Actions**

If the IRS rejection message, “No Record found on master file” is received, follow this table.

<b>IF CCC-941 filer is...</b>	<b>THEN FSA actions are as follows...</b>
<ul style="list-style-type: none"> <li>• Native American</li> <li>• member of recognized tribe</li> <li>• Alaskan Native</li> <li>• Pacific Islander</li> </ul>	<ul style="list-style-type: none"> <li>• place rejection message and CCC-941 in producer’s eligibility files</li> <li>• consider the producer AGI compliant for the specific program year.</li> </ul>
minor child individual with annual income less than minimum threshold of required filing apostolic or religious organization (504c designation by the IRS) charitable organization nonprofit organization (501c designation by the IRS)	submit the case to the State Office specialist for an AGI compliance review.  <b>Note:</b> Additional information must be requested to verify tax status or classification and average AGI.
new legal entity	<ul style="list-style-type: none"> <li>• place rejection message and CCC-941 in producer’s eligibility files</li> <li>• consider the new legal entity AGI compliant for the specific program year only</li> <li>• obtain valid CCC-941’s from all interest holders for the specific program year</li> <li>• see paragraph 472.</li> </ul>
individual opposed to filing Federal income taxes	<ul style="list-style-type: none"> <li>• determine the producer as AGI noncompliant and ineligible for all payments and benefits under programs subject to the AGI limitations</li> <li>• provide written notice with review rights according to 1-APP</li> <li>• if requested, do <b>not</b> issue payments and benefits under any program subject to AGI limitations</li> <li>• initiate receivables if payments and benefits have been issued under any program subject to AGI limitations.</li> </ul>
individual knowingly failed to file Federal income taxes in all 3 years of the qualification period	



AGI Compliance Review Checklists

A Example of CCC-770 CPA

The following CCC-770 CPA will be included in the State Office AGI Compliance Review File created for each participant and program year reviewed.

<p><b>This form is available electronically.</b></p> <p><b>CCC-770 CPA</b> U.S. DEPARTMENT OF AGRICULTURE (09-28-20) Commodity Credit Corporation</p> <p align="center"><b>AGI COMPLIANCE REVIEW CHECKLIST CPA OR ATTORNEY CERTIFICATION STATEMENT</b></p> <p align="center"><i>Agricultural Improvement Act of 2018</i></p>				<p>1. State Office Name</p>	
	<p>2. County Office Name</p>				
	<p>3. Producer Name</p>				
	<p>4. CPA or Attorney Name</p>				
	<p>5. Year(s) Reviewed  <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input type="checkbox"/> 2021 <input type="checkbox"/> 2022 <input type="checkbox"/> 2023</p>				
<p><b>This form will be included in the State Office AGI Compliance Review File created for each participant and program year reviewed.</b></p>			<p>YES</p>	<p>NO</p>	<p>N/A</p>
<p>6. Did the participant submit the required documentation within the required timeframe? Date documentation received: _____</p>					
<p>7. Has the CPA's or Attorney's license been verified through a reliable source? If so, print a copy and place in the review file. (Optional - complete only if credentials or status are in question.)</p>					
<p>8. Was the statement prepared for the correct participant subject to the AGI compliance review?</p>					
<p>9. Does the statement contain all the required elements to be considered acceptable for average AGI compliance verification purposes? (See page 2 of this form)</p>					
<p>10. Has the statement been evaluated for the following:</p> <ul style="list-style-type: none"> <li>• the correct and applicable 3-year period for qualification;</li> <li>• the average AGI limitations to which compliance is certified;</li> <li>• the referenced schedules and line items of filed tax returns;</li> <li>• the filing date(s) for the referenced tax returns.</li> </ul>					
<p>11. Has the Average AGI Calculation Worksheet been completed to verify correctness of the computations?</p>					
<p>12. Has a copy of the AGI certification (CCC-941 and/or CPA or attorney certification) been received from the recording County Office?</p>					
<p>13. Has a copy of the participant's subsidiary print been printed for the applicable year(s) being reviewed?</p>					
<p>14. Was the participant's AGI certification correctly recorded in the web eligibility file? (Note: Compare subsidiary print to what was certified on the participant's original AGI certification.)</p>					
<p>15. If the participant is determined to be <b>not eligible</b> for the year(s) reviewed, has the web eligibility file been updated to reflect the determinations (SED determination field)?</p>					
<p>16. Has written notice of the determinations been provided to the participant, and if adverse, have the options of reconsideration to the SED, mediation, and appeal rights to NAD been included? Date of the letter: _____</p>					
<p>17. For participants determined <b>not eligible</b>, has a receivable been properly established in NRRS for the program benefits received for the applicable year(s)?</p>					
<p>18. AGI Compliance Review file should contain the following documents upon completion of the review:</p> <ul style="list-style-type: none"> <li>• documentation received from the participant;</li> <li>• copy of the original AGI certification (CCC-941 and/or CPA or attorney certification);</li> <li>• copy of the Average AGI Calculation Worksheet;</li> <li>• copy of the written notice of determination sent to participant.</li> </ul>					
<p>19. Remarks:</p>					
<p>20A. Signature of Person Completing Review</p>			<p>20B. Date (MM-DD-YYYY)</p>		
<p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.es.cr.usda.gov/complaint_filing_cust.html">http://www.es.cr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</small></p>					

## AGI Compliance Review Checklists (Continued)

### A Example of CCC-770 CPA (Continued)

CCC-770 CPA (09-28-20)

Page 2

#### Instructions, Terms, and Conditions for CPA or Attorney Certification Statement

Certification statements will only be accepted from licensed certified public accountants (CPA's) and attorneys. Statements from enrolled agents will not be accepted. If a statement is submitted by a CPA or an attorney to certify compliance with an average AGI limitation for which a person or legal entity received notification of possible noncompliance, the statement **must** include the following elements:

- 1) CPA's or attorney's State license identification number.
- 2) Explanation of the reason for the certification statement.
- 3) Acknowledgement of having read and understood, and agreement to, the terms and conditions of AGI Enclosure 1, including the following:
  - The CPA/attorney acknowledges and agrees to having reviewed and being familiar with the average AGI limitations, definitions, and compliance requirements in 7 CFR Part 1400, with the programs involved, having made such inquiries as are necessary to apprise the CPA/attorney of such matters and understands that the tax years used to calculate the average AGI are the 3 taxable years preceding the most immediately preceding complete taxable year for which program benefits are requested.
  - The representations the CPA/attorney makes in the certification statement may be relied on by the government to allow benefits to be retained or received and that a false certification can result in sanctions including criminal sanctions for those persons associated with the false representations.
  - Additional information may be requested by USDA, a review may be conducted by USDA, and further inquiry may be made to IRS to ensure that all information filed with USDA by all parties is true, correct, and complete.
- 4) Relevant information on the most recently filed tax returns for the period in question.
- 5) If applicable, detailed explanations of how the applicable average AGI limitation(s) was not exceeded even though the information on the tax returns indicate otherwise.



AGI Compliance Review Checklists (Continued)

B Example of CCC-770 TAX

The following CCC-770 TAX will be included in the State Office AGI Compliance Review File created for each participant and program year reviewed.

<p><b>This form is available electronically.</b></p> <p><b>CCC-770 TAX</b> U.S. DEPARTMENT OF AGRICULTURE (09-28-20) Commodity Credit Corporation</p> <p align="center"><b>AGI COMPLIANCE REVIEW CHECKLIST</b> <b>IRS TAX INFORMATION - RETURNS AND SCHEDULES</b></p> <p align="center"><i>Agricultural Improvement Act of 2018</i></p>				<p>1. State Office Name</p>		
				<p>2. County Office Name</p>		
				<p>3. Producer Name</p>		
				<p>4. CPA or Attorney Name</p>		
				<p>5. Year(s) Reviewed  <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input type="checkbox"/> 2021 <input type="checkbox"/> 2022 <input type="checkbox"/> 2023</p>		
<p><b>This form will be included in the State Office AGI Compliance Review File created for each participant and program year reviewed.</b></p>				YES	NO	N/A
<p>6. Did the participant submit the required documentation within the required timeframe? Date documentation received: _____</p>						
<p>7. Was the tax information provided for the correct participant subject to the AGI compliance review?</p>						
<p>8. Was the tax information signed, or otherwise verified as filed with the IRS, by the participant subject to the AGI compliance review?</p>						
<p>9. Were the sets of tax returns complete as to be considered acceptable for average AGI compliance verification purposes?</p>						
<p>10. Has the tax information been evaluated for the following:</p> <ul style="list-style-type: none"> <li>• the correct and applicable 3-year period for qualification;</li> <li>• the average AGI limitations to which compliance is certified;</li> <li>• the applicable forms, schedules, and line items as needed to identify all income amounts;</li> <li>• the filing date(s) in comparison to the applicable 3-year period.</li> </ul>						
<p>11. Has the Average AGI Calculation Worksheet been completed to verify correctness of the participant's AGI certification?</p>						
<p>12. Has a copy of the AGI certification (CCC-941, and/or CPA or attorney certification) been received from the recording County Office?</p>						
<p>13. Has a copy of the participant's subsidiary print been printed for the applicable year(s) being reviewed?</p>						
<p>14. Was the participant's AGI certification correctly recorded in the web eligibility file? <i>(Note: Compare subsidiary print to what was certified on the participant's original AGI certification.)</i></p>						
<p>15. If the participant is determined to be <b>not eligible</b> for the year(s) reviewed, has the web eligibility file been updated to reflect the determinations (<i>SED determination field</i>)?</p>						
<p>16. Has written notice of the determinations been provided to the participant, and if adverse, have the options of reconsideration to the SED, mediation, and appeal rights to NAD been included? Date of the letter _____</p>						
<p>17. For participants determined <b>not eligible</b>, has a receivable been properly established in NRRS for the program benefits received for the applicable year(s)?</p>						
<p>18. AGI Compliance Review file should contain the following documents upon completion of the review:</p> <ul style="list-style-type: none"> <li>• all tax documentation received from the participant;</li> <li>• copy of the original AGI certification (CCC-941 and/or CPA or attorney certification);</li> <li>• copy of the Average AGI Calculation Worksheet;</li> <li>• copy of the written notice of determination sent to participant.</li> </ul>						
<p>19. Remarks:</p>						
<p>20A. Signature of Person Completing Review</p>				<p>20B. Date (MM-DD-YYYY)</p>		
<p><small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small></p> <p><small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small></p> <p><small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>. USDA is an equal opportunity provider, employer, and lender.</small></p>						

AGI Compliance Review Checklists (Continued)

B Example of CCC-770 TAX (Continued)

CCC-770 TAX (09-28-20)		Page 2
The following provides guidance for the forms used when determining AGI using data reported to IRS.		
IF determining total AGI for...	THEN see IRS Form...	AND use the amount entered on...
corporations	1120	either of the following: <ul style="list-style-type: none"><li>line 30 (total taxable income), <b>plus</b> line 19 (charitable contributions)</li><li>for S corporations, use only on IRS-1120S, line 21 (ordinary business income).</li></ul>
estates or trusts	1041	line 22 (taxable income) <b>plus</b> line 13 (charitable deductions).
LLC's, LLP's, LP's, or other similar type organization	1065	line 22 (total income from trade or business) <b>plus</b> line 10 (guaranteed payments to partners).
persons	1040	line 37 (AGI).
tax-exempt or charitable organizations	990-T	line 34 (unrelated business taxable income) <b>minus</b> income that CCC determined to be from non-commercial activity.

AGI Compliance Review Checklists (Continued)

\*--C Example of CCC-770 CSCR

The following CCC-770 CSCR will be included in the State Office CPA and Attorney Average AGI Certification Statement Review File created for each participant and program year reviewed.

<b>CCC-770 CSCR</b> (07-11-23)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. State Office Name		
<b>CPA OR ATTORNEY AVERAGE AGI CERTIFICATION STATEMENT REVIEW CHECKLIST</b>  <i>Agricultural Improvement Act of 2018</i>				2. County Office Name		
				3. Producer Name		
				4. CPA or Attorney Name		
				5. Year Reviewed ( <i>Check one</i> ): <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input type="checkbox"/> 2021 <input type="checkbox"/> 2022 <input type="checkbox"/> 2023		
				This form will be included in the State Office CPA or Attorney Average AGI Certification Statement Review File created for each participant and program year reviewed.		
6. Did the participant submit the required documentation within the required timeframe? Date documentation received: _____				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Was the tax information provided for the correct participant subject to the CPA or Attorney Average AGI Certification Statement review?				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Were the provided tax returns considered acceptable for CPA or Attorney Average AGI Certification Statement verification purposes?				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Has the tax information been evaluated for the following: <ul style="list-style-type: none"> <li>• the correct and applicable 3-year period for qualification;</li> <li>• the average AGI amounts match the CPA or Attorney Average AGI Certification Statement;</li> <li>• the applicable forms, schedules, and line items as needed to identify all average AGI income amounts?</li> </ul>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Did the CPA or attorney provide a detailed breakdown to show how income was separated, if applicable?				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Was the CPA or Attorney Average AGI Certification Statement supported by the submitted documentation? If "YES", go to item 13. If "NO", go to item 12.				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Was additional documentation requested and received within required timeframe to support the certification statement? Date documentation received: _____				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Has written notice of the determination been provided to the participant, and if adverse, have the options of reconsideration to the SED, mediation, and appeal rights to NAD been included? Date of the letter: _____				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. For participants determined <b>not eligible</b> , have: <ul style="list-style-type: none"> <li>• the subsidiary flag been updated; and</li> <li>• a receivable been properly established in NRRS for the program benefits received subject to the AGI limitation and year under review?</li> </ul>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CPA or Attorney Average AGI Certification Statement Review file should contain the following documents upon completion of the review: <ul style="list-style-type: none"> <li>• all tax documentation received from the participant;</li> <li>• copy of the original AGI certification (CCC-941 and/or CPA or attorney certification);</li> <li>• copy of the CPA or Attorney detailed breakdown of Average AGI, if provided;</li> <li>• copy of the written notice of determination sent to participant</li> <li>• completed CCC-770 CSCR.</li> </ul>						
16. Remarks:						
17A. Signature of Person Completing Review				17B. Date (MM-DD-YYYY)		

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

AGI Compliance Review Checklists (Continued)

**\*--D Completing CCC-770 CSCR for 2019 and Subsequent Years**

Complete CCC-770's according to the following table.

Item	Instructions
1	Enter State Office name.
2	Enter County Office name.
3	Enter the producer's name.
4	Enter the CPA or Attorney's name.
5	Select the year being reviewed. <b>Select only 1.</b>
6	Enter the appropriate response and provide the date documentation was received.
7-10	Enter the appropriate response.
11	If "YES", go to item 13. If "NO", go to item 12.
12	If applicable, enter the appropriate response and provide the date documentation was received.
13	Enter the appropriate response and provide the date the letter was sent.
14	Enter the appropriate response.
15	Verify the CPA or Attorney Average Certification Statement Review file contains the listed documents.
16	List any remarks if applicable.
17A	Enter signature of person completing the review.
17B	Enter signature date in month, day, and year format.

--\*

**\*--Determining Gross Income and Average Gross Income**

**A Using IRS Data for Gross Income Determinations**

This table provides guidance on gross income determinations using data reported to the IRS.

<b>IF determining gross income for...</b>	<b>THEN see IRS...</b>	<b>AND use the amount entered on...</b>
corporations	1120	either of the following: <ul style="list-style-type: none"> <li>• line 11 (total income); OR</li> <li>• <b>for S corporations, use only</b> IRS-1120-S, line 6 (total income (loss)).</li> </ul>
estates or trusts	1041	line 9 (total income).
LLC's, LLP's, LP's, or other similar type organization	1065	line 8 (total income (loss)).
persons	1040	line 9 (total income).
tax-exempt or charitable organizations	990-T	Part I, line 1 (total of unrelated business taxable income from all unrelated trades or businesses).
	990	line 7a (total unrelated business revenue from Part VIII, column (C), line 12).
	990-EZ	line 9 (total revenue).

**Note:** Variations of the referenced IRS tax forms, or comparable forms, may apply in which the line items for the appropriate income amounts will be different.

**B Examples and Illustrations for Each of These IRS Tax Forms**

The following pages contain examples and illustrations of the locations of these line items on each IRS tax form.--\*

\*--Determining Gross Income and Average Gross Income (Continued)

C IRS Form 1120, U.S. Corporation Income Tax Return

The following is an example of IRS Form 1120.

Form <b>1120</b>		U.S. Corporation Income Tax Return		OMB No. 1545-0123
Department of the Treasury Internal Revenue Service		For calendar year 2024 or tax year beginning _____, 2024, ending _____, 20		<b>2024</b>
Go to <a href="http://www.irs.gov/Form1120">www.irs.gov/Form1120</a> for instructions and the latest information.				
<b>A Check if:</b>		Name		<b>B Employer identification number</b>
<b>1a</b> Consolidated return (attach Form 851) <input type="checkbox"/>		<b>TYPE OR PRINT</b>	Number, street, and room or suite no. If a P.O. box, see instructions.	<b>C Date incorporated</b>
<b>b</b> Life/nonlife consolidated return <input type="checkbox"/>			City or town, state or province, country, and ZIP or foreign postal code	<b>D Total assets (see instructions)</b>
<b>2</b> Personal holding co. (attach Sch. PH) <input type="checkbox"/>				\$
<b>3</b> Personal service corp. (see instructions) <input type="checkbox"/>		<b>E Check if:</b> (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change		
<b>4</b> Schedule M-3 attached <input type="checkbox"/>				
<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1a</b>		
	<b>b</b> Returns and allowances	<b>1b</b>		
	<b>c</b> Balance. Subtract line 1b from line 1a			<b>1c</b>
	<b>2</b> Cost of goods sold (attach Form 1125-A)			<b>2</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>3</b>
	<b>4</b> Dividends and inclusions (Schedule C, line 23)			<b>4</b>
	<b>5</b> Interest			<b>5</b>
	<b>6</b> Gross rents			<b>6</b>
	<b>7</b> Gross royalties			<b>7</b>
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))			<b>8</b>
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>9</b>
<b>10</b> Other income (see instructions—attach statement)			<b>10</b>	
<b>11 Total income.</b> Add lines 3 through 10.			<b>11</b>	
<b>Deductions (See instructions for limitations on deductions.)</b>	<b>12</b> Compensation of officers (see instructions—attach Form 1125-E)			<b>12</b>
	<b>13</b> Salaries and wages (less employment credits)			<b>13</b>
	<b>14</b> Repairs and maintenance			<b>14</b>
	<b>15</b> Bad debts			<b>15</b>
	<b>16</b> Rents			<b>16</b>
	<b>17</b> Taxes and licenses			<b>17</b>
	<b>18</b> Interest (see instructions)			<b>18</b>
	<b>19</b> Charitable contributions			<b>19</b>
	<b>20</b> Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			<b>20</b>
	<b>21</b> Depletion			<b>21</b>
	<b>22</b> Advertising			<b>22</b>
	<b>23</b> Pension, profit-sharing, etc., plans			<b>23</b>
	<b>24</b> Employee benefit programs			<b>24</b>
	<b>25</b> Energy efficient commercial buildings deduction (attach Form 7205)			<b>25</b>
	<b>26</b> Other deductions (attach statement)			<b>26</b>
	<b>27 Total deductions.</b> Add lines 12 through 26			<b>27</b>
<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.			<b>28</b>	
<b>29a</b> Net operating loss deduction (see instructions)	<b>29a</b>			
	<b>b</b> Special deductions (Schedule C, line 24)	<b>29b</b>		
	<b>c</b> Add lines 29a and 29b		<b>29c</b>	
<b>Tax, Refundable Credits, and Payments</b>	<b>30</b> Taxable income. Subtract line 29c from line 28. See instructions			<b>30</b>
	<b>31</b> Total tax (Schedule J, line 12)			<b>31</b>
	<b>32</b> Reserved for future use			<b>32</b>
	<b>33</b> Total payments and credits (Schedule J, line 23)			<b>33</b>
	<b>34</b> Estimated tax penalty. See instructions. Check if Form 2220 is attached <input type="checkbox"/>			<b>34</b>
	<b>35</b> Amount owed. If line 33 is smaller than the total of lines 31 and 34, enter amount owed			<b>35</b>
	<b>36</b> Overpayment. If line 33 is larger than the total of lines 31 and 34, enter amount overpaid			<b>36</b>
<b>37</b> Enter amount from line 36 you want: <b>Credited to 2025 estimated tax</b> <b>Refunded</b>			<b>37</b>	
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			May the IRS discuss this return with the preparer shown below? See instructions. <input type="checkbox"/> Yes <input type="checkbox"/> No
	Signature of officer	Date	Title	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name	Firm's EIN		
	Firm's address	Phone no.		
For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11450Q Form <b>1120</b> (2024)				

\*--Determining Gross Income and Average Gross Income (Continued)

D IRS Form 1120-S, U.S. Income Tax Return for an S Corporation

The following is an example of IRS Form 1120-S.

Form <b>1120-S</b> Department of the Treasury Internal Revenue Service	<b>U.S. Income Tax Return for an S Corporation</b> Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Go to <a href="http://www.irs.gov/Form1120S">www.irs.gov/Form1120S</a> for instructions and the latest information.	OMB No. 1545-0123 <div style="font-size: 2em; font-weight: bold; text-align: center;">2024</div>
For calendar year 2024 or tax year beginning _____, 2024, ending _____, 20____		
<b>A</b> S election effective date _____	Name _____ Number, street, and room or suite no. If a P.O. box, see instructions. _____ City or town, state or province, country, and ZIP or foreign postal code _____	<b>D</b> Employer identification number _____  <b>E</b> Date incorporated _____  <b>F</b> Total assets (see instructions) \$ _____
<b>B</b> Business activity code number (see instructions) _____	<b>TYPE OR PRINT</b>	
<b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>		
<b>G</b> Is the corporation electing to be an S corporation beginning with this tax year? See instructions. <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>H</b> Check if: (1) <input type="checkbox"/> Final return (2) <input type="checkbox"/> Name change (3) <input type="checkbox"/> Address change (4) <input type="checkbox"/> Amended return (5) <input type="checkbox"/> S election termination		
<b>I</b> Enter the number of shareholders who were shareholders during any part of the tax year _____		
<b>J</b> Check if corporation: (1) <input type="checkbox"/> Aggregated activities for section 465 at-risk purposes (2) <input type="checkbox"/> Grouped activities for section 469 passive activity purposes		
<b>Caution:</b> Include <b>only</b> trade or business income and expenses on lines 1a through 22. See the instructions for more information.		
<b>Income</b>	<b>1a</b> Gross receipts or sales _____ <b>b</b> Less returns and allowances _____ <b>c</b> Balance _____ <b>2</b> Cost of goods sold (attach Form 1125-A) _____ <b>3</b> Gross profit. Subtract line 2 from line 1c _____ <b>4</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) _____ <b>5</b> Other income (loss) (see instructions—attach statement) _____ <b>6 Total income (loss).</b> Add lines 3 through 5 _____	<b>1c</b> _____ <b>2</b> _____ <b>3</b> _____ <b>4</b> _____ <b>5</b> _____ <b>6</b> _____
<b>Deductions (see instructions for limitations)</b>	<b>7</b> Compensation of officers (see instructions—attach Form 1125-E) _____ <b>8</b> Salaries and wages (less employment credits) _____ <b>9</b> Repairs and maintenance _____ <b>10</b> Bad debts _____ <b>11</b> Rents _____ <b>12</b> Taxes and licenses _____ <b>13</b> Interest (see instructions) _____ <b>14</b> Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562) _____ <b>15</b> Depletion ( <b>do not deduct oil and gas depletion</b> ) _____ <b>16</b> Advertising _____ <b>17</b> Pension, profit-sharing, etc., plans _____ <b>18</b> Employee benefit programs _____ <b>19</b> Energy efficient commercial buildings deduction (attach Form 7205) _____ <b>20</b> Other deductions (attach statement) _____ <b>21 Total deductions.</b> Add lines 7 through 20 _____ <b>22 Ordinary business income (loss).</b> Subtract line 21 from line 6 _____	<b>7</b> _____ <b>8</b> _____ <b>9</b> _____ <b>10</b> _____ <b>11</b> _____ <b>12</b> _____ <b>13</b> _____ <b>14</b> _____ <b>15</b> _____ <b>16</b> _____ <b>17</b> _____ <b>18</b> _____ <b>19</b> _____ <b>20</b> _____ <b>21</b> _____ <b>22</b> _____
<b>Tax and Payments</b>	<b>23a</b> Excess net passive income or LIFO recapture tax (see instructions) _____ <b>23a</b> _____ <b>b</b> Tax from Schedule D (Form 1120-S) _____ <b>23b</b> _____ <b>c</b> Add lines 23a and 23b (see instructions for additional taxes) _____ <b>23c</b> _____ <b>24a</b> Current year's estimated tax payments and preceding year's overpayment credited to the current year _____ <b>24a</b> _____ <b>b</b> Tax deposited with Form 7004 _____ <b>24b</b> _____ <b>c</b> Credit for federal tax paid on fuels (attach Form 4136) _____ <b>24c</b> _____ <b>d</b> Elective payment election amount from Form 3800 _____ <b>24d</b> _____ <b>z</b> Add lines 24a through 24d _____ <b>24z</b> _____ <b>25</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> _____ <b>25</b> _____ <b>26 Amount owed.</b> If line 24z is smaller than the total of lines 23c and 25, enter amount owed _____ <b>26</b> _____ <b>27 Overpayment.</b> If line 24z is larger than the total of lines 23c and 25, enter amount overpaid _____ <b>27</b> _____ <b>28</b> Enter amount from line 27: <b>Credited to 2025 estimated tax</b> _____ <b>Refunded</b> _____ <b>28</b> _____	<b>23c</b> _____ <b>24z</b> _____ <b>25</b> _____ <b>26</b> _____ <b>27</b> _____ <b>28</b> _____
<b>Sign Here</b> Signature of officer _____ Date _____ Title _____	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. <div style="border: 1px solid black; padding: 2px; display: inline-block;">                     May the IRS discuss this return with the preparer shown below? See instructions. <input type="checkbox"/> Yes <input type="checkbox"/> No                 </div>	
<b>Paid Preparer Use Only</b> Print/Type preparer's name _____ Preparer's signature _____ Date _____ Firm's name _____ Firm's EIN _____ Firm's address _____ Phone no. _____	Check <input type="checkbox"/> if self-employed PTIN _____	
For Paperwork Reduction Act Notice, see separate instructions.		
Cat. No. 11510H		Form <b>1120-S</b> (2024)

\*--Determining Gross Income and Average Gross Income (Continued)

E IRS Form 1041, U.S. Income Tax Return for Estates and Trusts

The following is an example of IRS Form 1041.

Form <b>1041</b>		Department of the Treasury—Internal Revenue Service		<b>2024</b>		OMB No. 1545-0092		
<b>U.S. Income Tax Return for Estates and Trusts</b>		Go to <a href="http://www.irs.gov/Form1041">www.irs.gov/Form1041</a> for instructions and the latest information.						
<b>A</b> Check all that apply:		For calendar year 2024 or fiscal year beginning , 2024, and ending , 20				<b>C Employer identification number</b>		
<input type="checkbox"/> Decedent's estate		Name of estate or trust (If a grantor type trust, see the instructions.)						
<input type="checkbox"/> Simple trust		Name and title of fiduciary				<b>D</b> Date entity created		
<input type="checkbox"/> Complex trust		Number, street, and room or suite no. (If a P.O. box, see the instructions.)				<b>E</b> Nonexempt charitable and split-interest trusts, check applicable box(es). See instructions.		
<input type="checkbox"/> Qualified disability trust		City or town, state or province, country, and ZIP or foreign postal code				<input type="checkbox"/> Described in sec. 4947(a)(1). Check here if not a private foundation . . . . . <input type="checkbox"/>		
<input type="checkbox"/> ESBT (S portion only)						<input type="checkbox"/> Described in sec. 4947(a)(2)		
<input type="checkbox"/> Grantor type trust								
<input type="checkbox"/> Bankruptcy estate—Ch. 7								
<input type="checkbox"/> Bankruptcy estate—Ch. 11								
<input type="checkbox"/> Pooled income fund								
<b>B</b> Number of Schedules K-1 attached (see instructions)		<b>F</b> Check applicable boxes:		<input type="checkbox"/> Initial return		<input type="checkbox"/> Final return		
		<input type="checkbox"/> Change in trust's name		<input type="checkbox"/> Change in fiduciary		<input type="checkbox"/> Amended return		
		<input type="checkbox"/> Change in fiduciary's name		<input type="checkbox"/> Change in fiduciary's address		<input type="checkbox"/> Net operating loss carryback		
<b>G</b> Check here if the estate or filing trust made a section 645 election . . . . . <input type="checkbox"/>				<input type="checkbox"/> Trust TIN				
<b>Income</b>	<b>1</b> Interest income . . . . .						<b>1</b>	
	<b>2a</b> Total ordinary dividends . . . . .						<b>2a</b>	
	<b>b</b> Qualified dividends allocable to: (1) Beneficiaries (2) Estate or trust . . . . .							
	<b>3</b> Business income or (loss). Attach Schedule C (Form 1040) . . . . .						<b>3</b>	
	<b>4</b> Capital gain or (loss). Attach Schedule D (Form 1041) . . . . .						<b>4</b>	
	<b>5</b> Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040) . . . . .						<b>5</b>	
	<b>6</b> Farm income or (loss). Attach Schedule F (Form 1040) . . . . .						<b>6</b>	
	<b>7</b> Ordinary gain or (loss). Attach Form 4797 . . . . .						<b>7</b>	
	<b>8</b> Other income. List type and amount . . . . .						<b>8</b>	
<b>9</b> <b>Total income.</b> Combine lines 1, 2a, and 3 through 8 . . . . .						<b>9</b>		
<b>Deductions</b>	<b>10</b> Interest. Check if Form 4952 is attached <input type="checkbox"/> . . . . .						<b>10</b>	
	<b>11</b> Taxes . . . . .						<b>11</b>	
	<b>12</b> Fiduciary fees. If only a portion is deductible under section 67(e), see instructions . . . . .						<b>12</b>	
	<b>13</b> Charitable deduction (from Schedule A, line 7) . . . . .						<b>13</b>	
	<b>14</b> Attorney, accountant, and return preparer fees. If only a portion is deductible under section 67(e), see instructions . . . . .						<b>14</b>	
	<b>15a</b> Other deductions (attach schedule). See instructions for deductions allowable under section 67(e) . . . . .						<b>15a</b>	
	<b>b</b> Net operating loss deduction. See instructions . . . . .						<b>15b</b>	
	<b>16</b> Add lines 10 through 15b . . . . .						<b>16</b>	
	<b>17</b> Adjusted total income or (loss). Subtract line 16 from line 9 . . . . .						<b>17</b>	
	<b>18</b> Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041) . . . . .						<b>18</b>	
	<b>19</b> Estate tax deduction including certain generation-skipping taxes (attach computation) . . . . .						<b>19</b>	
<b>20</b> Qualified business income deduction. Attach Form 8995 or 8995-A . . . . .						<b>20</b>		
<b>21</b> Exemption . . . . .						<b>21</b>		
<b>22</b> Add lines 18 through 21 . . . . .						<b>22</b>		
<b>Tax and Payments</b>	<b>23</b> Taxable income. Subtract line 22 from line 17. If a loss, see instructions . . . . .						<b>23</b>	
	<b>24</b> <b>Total tax</b> (from Schedule G, Part I, line 9) . . . . .						<b>24</b>	
	<b>25</b> Current year net 965 tax liability paid from Form 965-A, Part II, column (k) (see instructions) . . . . .						<b>25</b>	
	<b>26</b> <b>Total payments</b> (from Schedule G, Part II, line 19) . . . . .						<b>26</b>	
	<b>27</b> Estimated tax penalty. See instructions . . . . .						<b>27</b>	
	<b>28</b> <b>Tax due.</b> If line 26 is smaller than the total of lines 24, 25, and 27, enter amount owed . . . . .						<b>28</b>	
	<b>29</b> <b>Overpayment.</b> If line 26 is larger than the total of lines 24, 25, and 27, enter amount overpaid . . . . .						<b>29</b>	
	<b>30</b> Amount of line 29 to be: <b>a Credited to 2025</b> ; <b>b Refunded</b> . . . . .						<b>30</b>	
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.							
	Signature of fiduciary or officer representing fiduciary		Date		EIN of fiduciary if a financial institution		May the IRS discuss this return with the preparer shown below? See instructions. <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Paid Preparer Use Only</b>	Preparer's name		Preparer's signature		Date		Check <input type="checkbox"/> if self-employed PTIN	
	Firm's name				Firm's EIN			
	Firm's address				Phone no.			
For Paperwork Reduction Act Notice, see the separate instructions.				Cat. No. 11370H		Form <b>1041</b> (2024)		

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\*--Determining Gross Income and Average Gross Income (Continued)

F IRS Form 1040, U.S. Individual Income Tax Return

The following is an example of IRS Form 1040.

Form <b>1040</b> Department of the Treasury—Internal Revenue Service		<b>2024</b>		OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.																														
For the year Jan. 1–Dec. 31, 2024, or other tax year beginning _____, 2024, ending _____, 20_____				See separate instructions.																															
Your first name and middle initial		Last name		Your social security number																															
If joint return, spouse's first name and middle initial		Last name		Spouse's social security number																															
Home address (number and street). If you have a P.O. box, see instructions.				Apt. no.	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse																														
City, town, or post office. If you have a foreign address, also complete spaces below.			State	ZIP code																															
Foreign country name		Foreign province/state/county		Foreign postal code																															
<b>Filing Status</b> <input type="checkbox"/> Single <input type="checkbox"/> Head of household (HOH) <input type="checkbox"/> Married filing jointly (even if only one had income) <input type="checkbox"/> Married filing separately (MFS) <input type="checkbox"/> Qualifying surviving spouse (QSS) Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent: _____ <input type="checkbox"/> If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required): _____																																			
<b>Digital Assets</b> At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) <input type="checkbox"/> Yes <input type="checkbox"/> No																																			
<b>Standard Deduction</b> Someone can claim: <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent <input type="checkbox"/> Spouse itemizes on a separate return or you were a dual-status alien																																			
<b>Age/Blindness</b> You: <input type="checkbox"/> Were born before January 2, 1960 <input type="checkbox"/> Are blind <b>Spouse:</b> <input type="checkbox"/> Was born before January 2, 1960 <input type="checkbox"/> Is blind																																			
<b>Dependents</b> (see instructions): <table border="1"> <thead> <tr> <th>(1) First name</th> <th>Last name</th> <th>(2) Social security number</th> <th>(3) Relationship to you</th> <th>(4) Check the box if qualifies for (see instructions):</th> </tr> <tr> <th colspan="3"></th> <th>Child tax credit</th> <th>Credit for other dependents</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>						(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions):				Child tax credit	Credit for other dependents				<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>
(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions):																															
			Child tax credit	Credit for other dependents																															
			<input type="checkbox"/>	<input type="checkbox"/>																															
			<input type="checkbox"/>	<input type="checkbox"/>																															
			<input type="checkbox"/>	<input type="checkbox"/>																															
			<input type="checkbox"/>	<input type="checkbox"/>																															
<b>Income</b> Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.																																			
1a Total amount from Form(s) W-2, box 1 (see instructions)		1a		1a																															
b Household employee wages not reported on Form(s) W-2		1b		1b																															
c Tip income not reported on line 1a (see instructions)		1c		1c																															
d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		1d		1d																															
e Taxable dependent care benefits from Form 2441, line 26		1e		1e																															
f Employer-provided adoption benefits from Form 8839, line 29		1f		1f																															
g Wages from Form 8919, line 6		1g		1g																															
h Other earned income (see instructions)		1h		1h																															
i Nontaxable combat pay election (see instructions)		1i		1i																															
z Add lines 1a through 1h		1z		1z																															
2a Tax-exempt interest		2a		b Taxable interest																															
3a Qualified dividends		3a		b Ordinary dividends																															
4a IRA distributions		4a		b Taxable amount																															
5a Pensions and annuities		5a		b Taxable amount																															
6a Social security benefits		6a		b Taxable amount																															
c If you elect to use the lump-sum election method, check here (see instructions)																																			
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here		7		7																															
8 Additional income from Schedule 1, line 10		8		8																															
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income		9		9																															
10 Adjustments to income from Schedule 1, line 26		10		10																															
11 Subtract line 10 from line 9. This is your adjusted gross income		11		11																															
12 Standard deduction or itemized deductions (from Schedule A)		12		12																															
13 Qualified business income deduction from Form 8995 or Form 8995-A		13		13																															
14 Add lines 12 and 13		14		14																															
15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income		15		15																															

\*--Determining Gross Income and Average Gross Income (Continued)

G IRS Form 990-T, Exempt Organization Business Income Tax Return

The following is an example of IRS Form 990-T.

Form <b>990-T</b> Department of the Treasury Internal Revenue Service	<b>Exempt Organization Business Income Tax Return</b> <b>(and proxy tax under section 6033(e))</b> For calendar year 2024 or other tax year beginning _____, 2024, and ending _____, 20____ Go to <a href="http://www.irs.gov/Form990T">www.irs.gov/Form990T</a> for instructions and the latest information. Do not enter SSN numbers on this form as it may be made public if your organization is an 501(c)(3).	OMB No. 1545-0047 <div style="font-size: 24pt; font-weight: bold;">2024</div> Open to Public Inspection for 501(c)(3) Organizations Only
A <input type="checkbox"/> Check box if address changed.	Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.)	D Employer identification number
B Exempt under section <input type="checkbox"/> 501( ) ( ) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a) <input type="checkbox"/> 529A	Number, street, and room or suite no. If a P.O. box, see instructions. City or town, state or province, country, and ZIP or foreign postal code	E Group exemption number (see instructions)  F <input type="checkbox"/> Check box if an amended return.
C Book value of all assets at end of year _____		
G Check organization type <input type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust <input type="checkbox"/> State college/university <input type="checkbox"/> 6417(d)(1)(A) Applicable entity		
H Check if filing only to claim <input type="checkbox"/> Credit from Form 8941 <input type="checkbox"/> Refund shown on Form 2439 <input type="checkbox"/> Elective payment amount from Form 3800		
I Check if a 501(c)(3) organization filing a consolidated return with a 501(c)(2) titleholding corporation <input type="checkbox"/>		
J Enter the number of attached Schedules A (Form 990-T) _____		
K During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," enter the name and identifying number of the parent corporation _____		
L The books are in care of _____ Telephone number _____		
<b>Part I Total Unrelated Business Taxable Income</b>		
1	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	1
2	Reserved	2
3	Add lines 1 and 2	3
4	Charitable contributions (see instructions for limitation rules)	4
5	Total unrelated business taxable income before net operating losses. Subtract line 4 from line 3	5
6	Deduction for net operating loss. See instructions	6
7	Total of unrelated business taxable income before specific deduction and section 199A deduction. Subtract line 6 from line 5	7
8	Specific deduction (generally \$1,000, but see instructions for exceptions)	8
9	Trusts. Section 199A deduction. See instructions	9
10	<b>Total deductions.</b> Add lines 8 and 9	10
11	<b>Unrelated business taxable income.</b> Subtract line 10 from line 7. If line 10 is greater than line 7, enter zero	11
<b>Part II Tax Computation</b>		
1	<b>Organizations taxable as corporations.</b> Multiply Part I, line 11, by 21% (0.21)	1
2	<b>Trusts taxable at trust rates.</b> See instructions for tax computation. Income tax on the amount on Part I, line 11, from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	2
3	<b>Proxy tax.</b> See instructions	3
4a	Amount from Form 4255, Part I, line 3, column (q)	4a
b	Other tax amounts. See instructions	4b
5	Alternative minimum tax	5
6	<b>Tax on noncompliant facility income.</b> See instructions	6
7	<b>Total.</b> Add lines 3 through 6 to line 1 or 2, whichever applies	7
<b>Part III Tax and Payments</b>		
1a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	1a
b	Other credits (see instructions)	1b
c	General business credit. Attach Form 3800 (see instructions)	1c
d	Credit for prior-year minimum tax (attach Form 8801 or 8827)	1d
e	<b>Total credits.</b> Add lines 1a through 1d	1e
2	Subtract line 1e from Part II, line 7	2
3a	Amount from Form 4255, Part I, line 3, column (r) (see instructions)	3a
b	Amount due from Form 8611	3b
c	Amount due from Form 8697	3c
d	Amount due from Form 8866	3d
e	Other amounts due (see instructions)	3e
f	<b>Total amounts due.</b> Add lines 3a through 3e	3f
4	<b>Total tax.</b> Add lines 2 and 3f (see instructions). <input type="checkbox"/> Check if includes tax previously deferred under section 1294. Enter tax amount here	4
For Paperwork Reduction Act Notice, see instructions. <span style="float: right;">Cat. No. 11291J Form <b>990-T</b> (2024)</span>		

\*--Determining Gross Income and Average Gross Income (Continued)

H IRS Form 990, Return of Organization Exempt From Income Tax

The following is an example of IRS Form 990.

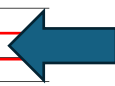
Form <b>990</b>  Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b> Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations) Do not enter social security numbers on this form as it may be made public. Go to <a href="http://www.irs.gov/Form990">www.irs.gov/Form990</a> for instructions and the latest information.	OMB No. 1545-0047 <b>2024</b> <b>Open to Public Inspection</b>																											
<b>A</b> For the 2024 calendar year, or tax year beginning _____, 2024, and ending _____, 20____																													
<b>B</b> Check if applicable: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%;"><input type="checkbox"/> Address change</td> <td style="width:55%;"><b>C</b> Name of organization</td> <td style="width:30%;"><b>D</b> Employer identification number</td> </tr> <tr> <td><input type="checkbox"/> Name change</td> <td>Doing business as</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Initial return</td> <td>Number and street (or P.O. box if mail is not delivered to street address) Room/suite</td> <td><b>E</b> Telephone number</td> </tr> <tr> <td><input type="checkbox"/> Final return/terminated</td> <td>City or town, state or province, country, and ZIP or foreign postal code</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Amended return</td> <td></td> <td><b>G</b> Gross receipts \$</td> </tr> <tr> <td><input type="checkbox"/> Application pending</td> <td><b>F</b> Name and address of principal officer:</td> <td><b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td></td> <td></td> <td><b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td></td> <td></td> <td>If "No," attach a list. See instructions.</td> </tr> <tr> <td></td> <td></td> <td><b>H(c)</b> Group exemption number</td> </tr> </table>			<input type="checkbox"/> Address change	<b>C</b> Name of organization	<b>D</b> Employer identification number	<input type="checkbox"/> Name change	Doing business as		<input type="checkbox"/> Initial return	Number and street (or P.O. box if mail is not delivered to street address) Room/suite	<b>E</b> Telephone number	<input type="checkbox"/> Final return/terminated	City or town, state or province, country, and ZIP or foreign postal code		<input type="checkbox"/> Amended return		<b>G</b> Gross receipts \$	<input type="checkbox"/> Application pending	<b>F</b> Name and address of principal officer:	<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input type="checkbox"/> No			<b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No			If "No," attach a list. See instructions.			<b>H(c)</b> Group exemption number
<input type="checkbox"/> Address change	<b>C</b> Name of organization	<b>D</b> Employer identification number																											
<input type="checkbox"/> Name change	Doing business as																												
<input type="checkbox"/> Initial return	Number and street (or P.O. box if mail is not delivered to street address) Room/suite	<b>E</b> Telephone number																											
<input type="checkbox"/> Final return/terminated	City or town, state or province, country, and ZIP or foreign postal code																												
<input type="checkbox"/> Amended return		<b>G</b> Gross receipts \$																											
<input type="checkbox"/> Application pending	<b>F</b> Name and address of principal officer:	<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input type="checkbox"/> No																											
		<b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No																											
		If "No," attach a list. See instructions.																											
		<b>H(c)</b> Group exemption number																											
<b>I</b> Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527																													
<b>J</b> Website: _____																													
<b>K</b> Form of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		<b>L</b> Year of formation: _____																											
<b>M</b> State of legal domicile: _____																													
<b>Part I Summary</b>																													
<b>1</b> Briefly describe the organization's mission or most significant activities: <hr/> <hr/> <hr/>																													
Activities & Governance	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.																												
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>																											
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>																											
	<b>5</b> Total number of individuals employed in calendar year 2024 (Part V, line 2a) . . . . .	<b>5</b>																											
	<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>																											
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>																											
<b>b</b> Net unrelated business taxable income from Form 990-T, Part I, line 11 . . . . .	<b>7b</b>																												
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year	Current Year																										
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .																												
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .																												
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . .																												
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)																												
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . . .																												
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .																												
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)																												
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .																												
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) . . . . .																												
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .																												
<b>18</b> Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25) . . . . .																													
<b>19</b> Revenue less expenses. Subtract line 18 from line 12 . . . . .																													
Net Assets or Fund Balances	<b>20</b> Total assets (Part X, line 16) . . . . .	Beginning of Current Year	End of Year																										
	<b>21</b> Total liabilities (Part X, line 26) . . . . .																												
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 . . . . .																												
<b>Part II Signature Block</b>																													
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.																													
Sign Here	Signature of officer _____ Date _____																												
	Type or print name and title _____																												
Paid Preparer Use Only	Preparer's name _____	Preparer's signature _____	Date _____																										
	Firm's name _____	Firm's EIN _____	Check <input type="checkbox"/> if self-employed PTIN _____																										
	Firm's address _____	Phone no. _____																											
May the IRS discuss this return with the preparer shown above? See instructions . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No																													
For Paperwork Reduction Act Notice, see the separate instructions.																													

\*--Determining Gross Income and Average Gross Income (Continued)

I IRS Form 990-EZ, Short Form Return of Organization Exempt From Income Tax

The following is an example of IRS Form 990-EZ.

<p>Form <b>990-EZ</b></p> <p>Department of the Treasury Internal Revenue Service</p>	<p><b>Short Form</b> <b>Return of Organization Exempt From Income Tax</b></p> <p>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations) Do not enter social security numbers on this form, as it may be made public. Go to <a href="http://www.irs.gov/Form990EZ">www.irs.gov/Form990EZ</a> for instructions and the latest information.</p>	<p>OMB No. 1545-0047</p> <p><b>2024</b></p> <p><b>Open to Public Inspection</b></p>
<p><b>A</b> For the 2024 calendar year, or tax year beginning _____, 2024, and ending _____, 20</p>		
<p><b>B</b> Check if applicable:</p> <p><input type="checkbox"/> Address change</p> <p><input type="checkbox"/> Name change</p> <p><input type="checkbox"/> Initial return</p> <p><input type="checkbox"/> Final return/terminated</p> <p><input type="checkbox"/> Amended return</p> <p><input type="checkbox"/> Application pending</p>		
<p><b>C</b> Name of organization _____</p> <p>Number and street (or P.O. box if mail is not delivered to street address) _____ Room/suite _____</p> <p>City or town, state or province, country, and ZIP or foreign postal code _____</p>		<p><b>D</b> Employer identification number _____</p> <p><b>E</b> Telephone number _____</p> <p><b>F</b> Group Exemption Number _____</p>
<p><b>G</b> Accounting Method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual Other (specify): _____</p>		
<p><b>I</b> Website: _____</p>		<p><b>H</b> Check <input type="checkbox"/> if the organization is not required to attach Schedule B (Form 990).</p>
<p><b>J</b> Tax-exempt status (check only one) – <input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527</p>		
<p><b>K</b> Form of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other: _____</p>		
<p><b>L</b> Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B)) are \$500,000 or more, file Form 990 instead of Form 990-EZ . . . . . \$ _____</p>		
<p><b>Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances</b> (see the instructions for Part I) <input type="checkbox"/></p> <p>Check if the organization used Schedule O to respond to any question in this Part I . . . . . <input type="checkbox"/></p>		
<p><b>Revenue</b></p>	<p><b>1</b> Contributions, gifts, grants, and similar amounts received . . . . . <b>1</b></p> <p><b>2</b> Program service revenue including government fees and contracts . . . . . <b>2</b></p> <p><b>3</b> Membership dues and assessments . . . . . <b>3</b></p> <p><b>4</b> Investment income . . . . . <b>4</b></p> <p><b>5a</b> Gross amount from sale of assets other than inventory . . . . . <b>5a</b></p> <p><b>b</b> Less: cost or other basis and sales expenses . . . . . <b>5b</b></p> <p><b>c</b> Gain or (loss) from sale of assets other than inventory (subtract line 5b from line 5a) . . . . . <b>5c</b></p> <p><b>6</b> Gaming and fundraising events:</p> <p><b>a</b> Gross income from gaming (attach Schedule G if greater than \$15,000) . . . . . <b>6a</b></p> <p><b>b</b> Gross income from fundraising events (not including \$ _____ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000) . . . . . <b>6b</b></p> <p><b>c</b> Less: direct expenses from gaming and fundraising events . . . . . <b>6c</b></p> <p><b>d</b> Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c) . . . . . <b>6d</b></p> <p><b>7a</b> Gross sales of inventory, less returns and allowances . . . . . <b>7a</b></p> <p><b>b</b> Less: cost of goods sold . . . . . <b>7b</b></p> <p><b>c</b> Gross profit or (loss) from sales of inventory (subtract line 7b from line 7a) . . . . . <b>7c</b></p> <p><b>8</b> Other revenue (describe in Schedule O) . . . . . <b>8</b></p> <p><b>9</b> <b>Total revenue.</b> Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8 . . . . . <b>9</b></p>	
<p><b>Expenses</b></p>	<p><b>10</b> Grants and similar amounts paid (list in Schedule O) . . . . . <b>10</b></p> <p><b>11</b> Benefits paid to or for members . . . . . <b>11</b></p> <p><b>12</b> Salaries, other compensation, and employee benefits <input type="checkbox"/> . . . . . <b>12</b></p> <p><b>13</b> Professional fees and other payments to independent contractors <input type="checkbox"/> . . . . . <b>13</b></p> <p><b>14</b> Occupancy, rent, utilities, and maintenance . . . . . <b>14</b></p> <p><b>15</b> Printing, publications, postage, and shipping . . . . . <b>15</b></p> <p><b>16</b> Other expenses (describe in Schedule O) <input type="checkbox"/> . . . . . <b>16</b></p> <p><b>17</b> <b>Total expenses.</b> Add lines 10 through 16 . . . . . <b>17</b></p>	
<p><b>Net Assets</b></p>	<p><b>18</b> Excess or (deficit) for the year (subtract line 17 from line 9) . . . . . <b>18</b></p> <p><b>19</b> Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) . . . . . <b>19</b></p> <p><b>20</b> Other changes in net assets or fund balances (explain in Schedule O) . . . . . <b>20</b></p> <p><b>21</b> Net assets or fund balances at end of year. Combine lines 18 through 20 . . . . . <b>21</b></p>	



\*--Determining Gross Income and Average Gross Income (Continued)

J IRS Form 1065, U.S. Return of Partnership Income

The following is an example of IRS Form 1065.

Form <b>1065</b>		U.S. Return of Partnership Income		OMB No. 1545-0123	
Department of the Treasury Internal Revenue Service		For calendar year 2024, or tax year beginning _____, 2024, ending _____, 20_____.		<b>2024</b>	
Go to <a href="http://www.irs.gov/Form1065">www.irs.gov/Form1065</a> for instructions and the latest information.					
<b>A</b> Principal business activity	Name of partnership	<b>D</b> Employer identification number			
<b>B</b> Principal product or service	Type or Print	Number, street, and room or suite no. If a P.O. box, see instructions.	<b>E</b> Date business started		
<b>C</b> Business code number	City or town, state or province, country, and ZIP or foreign postal code	<b>F</b> Total assets (see instructions)			
<b>G</b> Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return					
<b>H</b> Check accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify): _____					
<b>I</b> Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year: _____					
<b>J</b> Check if Schedules C and M-3 are attached <input type="checkbox"/>					
<b>K</b> Check if partnership: (1) <input type="checkbox"/> Aggregated activities for section 465 at-risk purposes (2) <input type="checkbox"/> Grouped activities for section 469 passive activity purposes					
<b>Caution:</b> Include <b>only</b> trade or business income and expenses on lines 1a through 23 below. See instructions for more information.					
<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>b</b> Less returns and allowances	<b>c</b> Balance	<b>1c</b>	
	<b>2</b> Cost of goods sold (attach Form 1125-A)			<b>2</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>3</b>	
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			<b>4</b>	
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040))			<b>5</b>	
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>6</b>	
	<b>7</b> Other income (loss) (attach statement)			<b>7</b>	
	<b>8</b> <b>Total income (loss).</b> Combine lines 3 through 7			<b>8</b>	
<b>Deductions</b> <small>(see instructions for limitations)</small>	<b>9</b> Salaries and wages (other than to partners) (less employment credits)			<b>9</b>	
	<b>10</b> Guaranteed payments to partners			<b>10</b>	
	<b>11</b> Repairs and maintenance			<b>11</b>	
	<b>12</b> Bad debts			<b>12</b>	
	<b>13</b> Rent			<b>13</b>	
	<b>14</b> Taxes and licenses			<b>14</b>	
	<b>15</b> Interest (see instructions)			<b>15</b>	
	<b>16a</b> Depreciation (if required, attach Form 4562)	<b>16a</b>			
	<b>b</b> Less depreciation reported on Form 1125-A and elsewhere on return	<b>16b</b>		<b>16c</b>	
	<b>17</b> Depletion ( <b>Do not deduct oil and gas depletion.</b> )			<b>17</b>	
	<b>18</b> Retirement plans, etc.			<b>18</b>	
<b>19</b> Employee benefit programs			<b>19</b>		
<b>20</b> Energy efficient commercial buildings deduction (attach Form 7205)			<b>20</b>		
<b>21</b> Other deductions (attach statement)			<b>21</b>		
<b>22</b> <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 21			<b>22</b>		
<b>23</b> <b>Ordinary business income (loss).</b> Subtract line 22 from line 8			<b>23</b>		
<b>Tax and Payment</b>	<b>24</b> Interest due under the look-back method—completed long-term contracts (attach Form 8697)			<b>24</b>	
	<b>25</b> Interest due under the look-back method—income forecast method (attach Form 8866)			<b>25</b>	
	<b>26</b> BBA AAR imputed underpayment (see instructions)			<b>26</b>	
	<b>27</b> Other taxes (see instructions)			<b>27</b>	
	<b>28</b> <b>Total balance due.</b> Add lines 24 through 27			<b>28</b>	
	<b>29</b> Elective payment election amount from Form 3800			<b>29</b>	
	<b>30</b> Payment (see instructions)			<b>30</b>	
	<b>31</b> <b>Amount owed.</b> If the sum of line 29 and line 30 is smaller than line 28, enter amount owed			<b>31</b>	
	<b>32</b> <b>Overpayment.</b> If the sum of line 29 and line 30 is larger than line 28, enter overpayment			<b>32</b>	
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.				
	Signature of partner or limited liability company member	Date	May the IRS discuss this return with the preparer shown below? See instructions. <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>Paid Preparer Use Only</b>	Print/type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name				Firm's EIN
	Firm's address				Phone no.
For Paperwork Reduction Act Notice, see separate instructions.		Cat. No. 11390Z		Form <b>1065</b> (2024)	





**\*--CCC-943, 75% of Average Gross Income From Farming, Ranching, or Forestry Certification**

**A Example of CCC-943**

The following is an example of CCC-943.

OMB Approved No: 0503-0028 OMB Expiration Date: 10/31/2027	
<b>CCC-943</b> (03-19-25)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation
<b>75% OF AVERAGE GROSS INCOME FROM FARMING, RANCHING, OR FORESTRY CERTIFICATION</b>	
<b>FOR COUNTY OFFICE USE ONLY</b>	
1. Recording State <i>Name</i>	2. Recording County <i>Name</i>
<i>Code</i>	<i>Code</i>
3. Program Year	
4. Application Number	
5. Return completed form to: (Name and Address FSA County office or USDA Service Center)	
<b>PART A – APPLICANT INFORMATION</b>	
6. Name of Individual or Legal Entity ( <i>If general partnership or joint venture, complete only for each member</i> )	
7. Taxpayer Identification Number (TIN) ( <i>Social Security Number, for Individual; or Employer Identification Number, for Legal Entity</i> )	
8A. Address Line 1	9A. Primary Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell
8B. Address Line 2	9B. Alternate Phone Number <input type="checkbox"/> Home <input type="checkbox"/> Cell
8C. City	8D. State    8E. Zip
10. Email Address	
<b>PART B – CERTIFICATION OF AVERAGE GROSS INCOME FROM FARMING, RANCHING, OR FORESTRY</b>	
After reviewing definitions and instructions provided on page 3, select the applicable Item 11A or 11B:	
11A. <input type="checkbox"/> <b>YES</b> at least 75% of the individual's or legal entity's average gross income for the three applicable tax years was derived from farming, ranching, or forestry operations; <b>AND</b>  A certification from a licensed enrolled agent, CPA, or an attorney is submitted to the FSA/USDA Service Center identified in Item 5, attesting that at least 75% of the individual's or legal entity's average gross income for the three applicable tax years was derived from farming, ranching, or forestry operations. The enrolled agent, CPA and/or Attorney may meet this requirement by completing Part C below or providing a similar statement that is acceptable to FSA; <b>OR</b>	
11B. <input type="checkbox"/> <b>NO</b> the individual or legal entity in Item 1 does not meet one or both of the above conditions.	
<b>PART C – CERTIFICATION BY INDIVIDUAL OR ENTITY</b>	
By signing this form:	
<ul style="list-style-type: none"> <li>• I acknowledge that I have read and reviewed all definitions and requirements on Page 3 of this form;</li> <li>• I certify, if applicable, that all information contained in any certification from an enrolled agent, CPA, or an attorney submitted to FSA as described in this CCC-943 is true and correct, and is consistent with the tax returns filed with the IRS for myself or the legal entity identified in Item 5;</li> <li>• I certify that I am authorized under applicable state law to sign this certification on behalf of the legal entity identified in Item 5 (for legal entity only).</li> </ul>	
12. Signature	13. Title/Relationship of Representative
14. Date (MM/DD/YYYY)	
DATE STAMP	

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**\*--CCC-943, 75% of Average Gross Income From Farming, Ranching, or Forestry Certification  
(Continued)**

**A Example of CCC-943 (Continued)**

<p><b>CCC-943</b> (03-19-25)</p>		<p>Page 2 of 3</p>	
<p><b>PART D – CERTIFICATION BY ENROLLED AGENT, CERTIFIED PUBLIC ACCOUNTANT, OR ATTORNEY</b></p>			
<p>By signing this form:</p> <ul style="list-style-type: none"> <li>• I acknowledge that I have read and reviewed all definitions and requirements on Page 3 of this form;</li> <li>• I certify the producer identified in Item 6 and TIN in Item 7 has met the minimum requirements to be eligible for the exception to the Payment Limitation as specified in Part B above.</li> </ul>			
<p>15. Signature (Enrolled Agent (EA), Certified Public Accountant (CPA)/Attorney)</p>	<p>16. Title (EA/CPA/Attorney)</p>	<p>17. State/License Number</p>	<p>18. Date (MM/DD/YYYY)</p>
<p><b>Privacy Act Statement:</b> Privacy Act Statement: The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a – as amended). The authority for requesting the information identified on this form is the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the American Relief Act, 2025 (Pub. L. 118-158). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for applicable program benefits.</p> <p><b>Public Burden Statement:</b> According to the Paperwork Reduction Act requirement, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0028, and the collection is voluntary. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Sends comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden by emailing to: <a href="mailto:askusda@usda.gov">askusda@usda.gov</a> (Subject: OMB NO. 0560-0028).</p> <p><b>Non-Discrimination Statement:</b> In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</p> <p>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</p> <p>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <a href="#">How to File a Program Discrimination Complaint</a> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a>.</p> <p>USDA is an equal opportunity provider, employer, and lender.</p>			

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**\*--CCC-943, 75% of Average Gross Income From Farming, Ranching, or Forestry Certification  
(Continued)**

**A Example of CCC-943 (Continued)**

<p><b>CCC-943</b> (03-19-25)</p>	<p>Page 3 of 3</p>
<p><b>GENERAL INFORMATION</b></p>	
<p>For certain authorized programs, individuals or legal entities (other than general partnerships and joint ventures) that receive applicable payments, directly or indirectly, <b>may</b> be eligible for additional benefits or expanded payment eligibility by completing this form.</p>	
<p>For a legal entity to qualify for the maximum adjustment to benefits or payment eligibility, all members of legal entities requesting to receive payment(s) from applicable programs, directly or indirectly, must also complete this form and provide the required certification from a CPA or attorney.</p>	
<p><b>HOW TO DETERMINE GROSS INCOME</b></p>	
<p><b>Applicable Tax Years-</b> The period for calculation will be the three taxable years preceding the most immediately preceding complete taxable year for the program year indicated in box 3. For example, the 3-year period for the calculations for program year 2024 would be the taxable years of 2020, 2021, and 2022.</p>	
<p><b>Gross Income</b> is the individual's or legal entity's IRS-reported total income or equivalent (see below) consisting of both farm and nonfarm income.</p>	
<p><b>Individual</b> – Internal Revenue Service (IRS) Form 1040 filers, total income</p>	
<p><b>Trust or Estate</b> – IRS Form 1041 filers, total income</p>	
<p><b>Corporation</b> – IRS Form 1120 filers, total income</p>	
<p><b>Limited Partnership (LP), Limited Liability Company (LLC), Limited Liability Partnership (LLP) or Similar Entity</b> – the gross income is the total income as reported to the IRS</p>	
<p><b>Tax-exempt Organization</b> – the gross income is the total revenue as reported to the IRS.</p>	
<p><b>HOW TO DETERMINE INCOME FROM FARMING, RANCHING, AND FORESTRY OPERATIONS</b></p>	
<p><b>Income received or obtained from the following sources</b></p>	
<i>Productions of crops, specialty crops, and raw forestry products.</i>	<i>Feeding, rearing, or finishing of livestock.</i>
<i>Production of livestock, aquaculture products used for food; honeybees; and products produced by or derived from livestock.</i>	<i>Payments of benefits, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans.</i>
<i>Production of farm-based renewable energy.</i>	<i>Sale of land that has been used for agricultural purposes.</i>
<i>Sale, including easements and development rights, of farm, ranch, and forestry land, water or hunting rights, or environmental benefits.</i>	<i>Payments and benefits authorized under any program made available and applicable to payment eligibility and payment limitation rules.</i>
<i>Rental or lease of land or equipment used for farming, ranching, or forestry operations, including water or hunting rights.</i>	<i>Any other activity related to farming, ranching, and forestry, as determined by the Deputy Administrator of Farm Programs.</i>
<i>Processing, packing, storing, and transportation of farm, ranch, forestry commodities including renewable energy.</i>	<i>Any income reported on Schedule F or other schedule used by the person or legal entity to report income from such operations to the IRS, as determined by the Deputy Administrator of Farm Programs.</i>
<p>Beginning in program year 2020, wages or dividends received from a "closely held" corporation, an IC-DISC or a legal entity comprised entirely of family members may be considered farm income when the legal entity is "materially participating" in farming, ranching, or forestry activities. "Materially participating" means more than 50 percent of the legal entity's gross receipts for each tax year are derived from farming, ranching, or forestry sources. A representative must attach a certification to form CCC-943 attesting that the legal entity "materially participates" in a farm, ranch, or forestry activity.</p>	
<p><b>HOW TO DETERMINE PERCENTAGE OF AVERAGE INCOME FROM FARMING, RANCHING, AND FORESTRY OPERATIONS</b></p>	
<p>1) Determine the total gross income and the total income from farming, ranching, and forestry for each of the applicable tax years.</p>	
<p>2) Total the gross income (both farm and nonfarm income) from all 3 years.</p>	
<p>3) Total the income from farming, ranching and forestry from all 3 years.</p>	
<p>4) Calculate the percentage of average gross farm income by dividing the result of step 3 by the result of step 2. The percentage calculated must be equal to; or greater than 75 percent to qualify for the increased payment limitation.</p>	
<p>This form can only be signed by the individual authorized under state law to sign this certification for the legal entity identified in Item 6.</p>	

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**\*--CCC-943, 75% of Average Gross Income From Farming, Ranching, or Forestry Certification  
(Continued)**

**B Instructions for Completing CCC-943**

Complete CCC-943 according to the following table.

<b>Item</b>	<b>Instructions</b>
1	Enter the recording State name and FIPS code.
2	Enter the recording county name and FIPS code.
3	Enter the program year applicable to the certification.
4	Leave blank.
5	Enter the name and address of the FSA County Office entered in item 2.
<b>Part A</b>	
6	Enter the name of the individual or legal entity making the certification.  <b>Note:</b> For a general partnership or joint venture, only complete CCC-943 for each member.
7	Enter the full TIN for the individual or entity entered in item 6.
8A-8E	Enter the address of the individual or entity entered in item 6.
9A-9B	Enter the phone number and type of number for the individual or entity in item 6.
10	Enter the e-mail address of the individual or entity in item 6.
<b>Part B</b>	
11A-11B	Producer must select <b>either</b> item 11A or 11B.  Select 11A if at least 75% of the individual or entity's average gross income for the 3 applicable tax years was derived from farming and a certification from an EA, CPA, or attorney is provided.  Select item 11B if the individual or entity in item 6 does not meet both conditions in item 11A.
<b>Part C</b>	
12	Signature of individual completing Part B.
13	Title or representative capacity of individual signing in item 12, if applicable.
14	Date the form is signed by the individual in item 12.
<b>Part D</b>	
15	Signature of EA, CPA, or attorney certifying the individual or entity in item 6 meets the requirements of Part B.
16	Enter EA, CPA, or attorney as applicable for the individual signing in item 15.
17	Enter the State and license or enrolled agent number for the individual signing in item 15.
18	Enter the date the EA, CPA, or attorney signs the form.

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