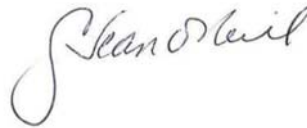


UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Payment Eligibility, Payment Limitation, and Average Adjusted Gross Income - Agricultural Act of 2014 5-PL	Amendment 5
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Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reason for Amendment

Subparagraph 1 B has been amended with relevant handbooks related to payment limitation and payment eligibility.

Subparagraph 2 B has been amended with relevant language to the CFR.

Subparagraph 17 A has been amended with payment limitations applicable to LIP and TAP in accordance with the Bipartisan Budget Act of 2018.

Subparagraph 260 A has been amended to update item 2 to indicate that the (Notification of interests and disclosure requirements in paragraphs 137 through 140 apply to all trusts and all beneficiaries of trusts).

Subparagraph 305 D has been amended to add the requirement to send a copy of the returned CCC-941 and IRS rejection letter to the STO to update the applicable year AGI subsidiary value.

Subparagraph 433 D has been amended to update the example Notification Letter to include contemporaneous records or logs of management activities performed throughout the entire crop year. This is required when a nonfamily joint operation is approved to have more than one member qualify as actively engaged in farming based solely on the contribution of active personal management or a combination of active personal management and active personal labor.

Note: This only applies to 2016 and subsequent year End-of-Year Reviews.

Subparagraph 446 C has been amended to fix a typographical error.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 459 F has been amended to update:

- CCC-900-2 to include contemporaneous records or logs of management activities as required documentation item 5.
- CCC-900-3 to add test questions for documenting the determinations of additional managers for the nonfamily member joint operations.
- CCC-900-4 to document the determination of additional managers for the nonfamily member joint operations.
- CCC-900-5 to document the determination of additional managers for the nonfamily joint operations.

Page Control Chart		
TC	Text	Exhibit
	1-1, 1-2 2-1 through 2-24 4-233, 4-234 6-41, 6-42 8-5, 8-6 8-33, through 8-54 8-61 through 8-100	

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 2014 and subsequent crop years, program years, and FY's.

B Related Handbooks

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

*--

IF the questions or concern is about...	THEN see...
acreage and compliance determinations	2-CP.
program appeals, mediation, and litigation	1-APP.
audits and investigations	9-AO.
common land units	8-CM.
common management and operating provisions	1-CM.
cotton price support payments	7-CN.
conservation reserve program	1-CRP and 2-CRP.
debts, receivables, and claims	58-FI.
reporting payment and financial data to the IRS	62-FI
establishing and reporting receipts and receivables	64-FI
directives management	1-AS.
emergency conservation program	1-ECP.
emergency forest restoration program--*	1-EFRP.
farm, tract, and crop data	3-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)

*--

IF the questions or concern is about...	THEN see...
livestock disaster assistance programs for 2011 and subsequent years	1-LDAP (Rev. 1).
marketing assistance, loan, and loan deficiency payments	8-LP.
margin protection program for dairy	1-MPP.
noninsured crop disaster assistance program	1-NAP.
payment eligibility and payment limitation for 2009 through 2013	4-PL.
peanut price support programs	2-LP Peanuts.
quality control	1-COR.
record operations	32-AS.
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).
customer data management, business partner	11-CM.
agriculture risk coverage and price loss coverage	1-ARCPLC.
enterprise data warehouse	12-CM.

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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.

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.--*

Part 2 General Provisions

Section 1 Program Availability

15 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 6.--*

Program or Payment	Applicable Rules				
	Actively Engaged in Farming	Cash-Rent Tenant	Direct Attribution	Foreign Person	AGI
Conservation Programs					
CRP			X	X	X
ECP			X		X <u>1/</u>
EFRP			X		X <u>1/</u>
EQIP			X		X
Commodity Programs					
ARC and PLC	X	X	X	X	X
Cotton Transition	X	X	X	X	X
Disaster Assistance Programs					
ELAP			X		X
LFP			X		X
LIP			X		X
NAP			X		X
TAP			X		X
Price Support Programs					
LDP's	*--X	X	X	X	X
Loans				X	
MLG's	X	X--*	X	X	X
MPP				X	
Other Programs					
AMA			X		X
TAAF			X		X

Note: Foreign persons are ineligible for payment under certain programs. The procedure for these programs reference the definition of “foreign person” provided in Part 3. However, the foreign person rule, as provided in Part 3, **only** applies to the programs or payments listed in this table.

1/ Only for certain apportionments that specifically identify AGI as a requirement.

t6 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, 2013.

B Applicability of 1-PL and 4-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 both 1-PL and 4-PL.

17 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, 2014 Through 2018
Commodity and Price Support Programs	
ARC, PLC, LDP, and MLG payments for other than peanuts	\$125,000
ARC, PLC, LDP, and MLG payments for peanuts	\$125,000
Transition assistance for producers of upland cotton	\$40,000 <u>1/</u>
Conservation Programs	
AMA	\$50,000 <u>2/</u>
CRP annual rental payment and incentive payment	\$50,000 <u>3/</u>
CSP	\$200,000 <u>4/</u>
ECP (per disaster event)	\$200,000
EFRP (per disaster event)	\$500,000
EQIP	\$450,000 <u>5/</u>
Disaster Assistance Programs	
ELAP, LFP, ***	\$125,000 <u>6/</u>
NAP	\$125,000
TAP	* <u>--7/</u> --*
Other Programs	
TAAF	\$10,000

17 Payment Limits and Rules (Continued)**A Person or Legal Entity Payment Limitations (Continued)**

- 1/ Transition assistance for producers of upland cotton is only available in the 2014 and 2015 program years.
 - 2/ The \$50,000 limitation is the total limit that a participant may receive under the AMA program in any FY.
 - 3/ CRP contracts approved before October 1, 2008, may exceed the limitation, subject to payment limitation rules in effect on the date of contract approval.
 - 4/ 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.
 - 5/ 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.
 - *--6/ Total payments received under ELAP and LFP may not exceed \$125,000. Effective January 1, 2017, the Bipartisan Budget Act of 2018 removed the \$125,000 payment limitation applicable to LIP.--*
- Note:** For SURE payments for losses on or before September 30, 2011, the payment limits regulations in effect when those losses occurred apply. The SURE limit is separate from the payment limitation amount applicable to ELAP, LFP, LIP, and TAP benefits authorized under the 2014 Farm Bill.
- *--7/ Effective January 1, 2017 the Bipartisan Budget Act of 2018 removed the \$125,000 payment limitation applicable to TAP.--*

18-28 (Reserved)

260 Trust Actively Engaged in Farming Determinations

A Rule

[7 CFR 1400.205] An irrevocable or revocable trust shall 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. *--(Notification of interests and disclosure requirements in paragraphs 137 through 140 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, unless the trust is a revocable trust and either of the following applies: <ul style="list-style-type: none"> <li data-bbox="391 957 967 993">• the grantor is the sole income beneficiary <li data-bbox="391 1035 1419 1136">• 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 not requesting benefits under his or her TIN.
6	The trust has provided a copy of the trust agreement to COC, unless the trust is a revocable trust.

B TIN's

A single TIN, such as a Social Security number, may **not** be used to pay both a person and a trust in the same year.

Note: See 1-CM, paragraph 121 and Exhibit 10 for EIN requirements for trusts.

C 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.

261 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 considered to be actively engaged in farming because the trust provides capital and the beneficiaries 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.

305 Reconciliation Process of Participants and CCC-941's**A Reconciliation Report**

*--A report will be completed to identify persons or legal entities who have:

- requested program payments subject to the \$900,000 AGI limitation for the year specified, and
- not completed and filed CCC-941.--*

Note: County Offices and NRCS will be provided access or a copy of this report.

B Participants Identified

The recording County Office will provide written notice to persons and legal entities identified on the report in subparagraph A that contains the following:

- the requirement to timely complete and submit the enclosed CCC-941 to maintain payment eligibility for the applicable year
- instruction to indicate the program year, as appropriate
- that completed CCC-941's:
 - are to be mailed to the recording County Office at the return address provided on CCC-941
 - **must** be mailed within 30 calendar days from the date of receipt of the letter
- where and how to obtain additional CCC-941's, if needed.

Note: For an example letter, see subparagraph 311 B.

305 Reconciliation Process of Participants and CCC-941's (Continued)**C Persons and Legal Entities Identified for 2014 and Subsequent Years**

For 2014 and subsequent crop, program, and FY's, County Offices are instructed to:

- periodically run the County Eligibility Report for AGI according to 3-PL (Rev. 1), subparagraph 306 I
- select field, "**Not Filed**" to generate a list of every individual and legal entity in the web-based eligibility system, "AGI" section that has not filed CCC-941 for the applicable year, payment eligibility purposes.

For all persons and legal entities identified through the County Eligibility Report for 2014 and subsequent years, follow instructions in subparagraph B.

Note: CCC-941 may be used for average AGI compliance certification and consent to disclosure for a year before 2014, but **only** for the \$900,000 AGI limitation amount. See subparagraph 291 B.

D Notification Exceptions

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:

- do not send a written notification according to subparagraph B
- consider this individual or legal entity as compliant with the average AGI limitations for the current program year
- 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 to update the applicable year AGI subsidiary value as "Mismatch-Verified" under the SED/State Office section of the subsidiary software.--*

433 Producer Notification (Continued)

D Example Notification Letter

This is an example of a letter notifying a producer of being selected for an **end-of-year review**.

<p>[Letterhead]</p>	<p>Any County FSA Office 502 Spotcheck Ave Some City US 55555-1234</p>
<p>[Date]</p>	
<p>Wandering Brook, Inc. Fred Friendly, President 777 Lucky Day Rd Some City US 55555-1234</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>[Delete the following paragraphs that are not applicable to the producer.]</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"> <input type="checkbox"/> operating loan documents <input type="checkbox"/> income and expense ledgers <input type="checkbox"/> canceled checks for expenditures, such as: <ul style="list-style-type: none"> <input type="checkbox"/> fertilizer <input type="checkbox"/> seed <input type="checkbox"/> fuel <input type="checkbox"/> equipment leases and purchases <input type="checkbox"/> land leases and purchases <input type="checkbox"/> hired labor and management <input type="checkbox"/> any other farming operation expenditures. 	

433 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.
- *--contempraneous 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

445 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.

446 Failure to Provide Documentation

A Introduction

Producers selected for an end-of-year review 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 end-of-year review documentation shall result in the following actions.

IF the producer...	THEN the producer shall be...
<ul style="list-style-type: none"> • refuses to provide the requested information • does not provide information within 30 calendar days 	<ul style="list-style-type: none"> • determined not “actively engaged in farming” and ineligible for the year of the review and all later years until eligibility can be reestablished • notified of the revised determination, and given appeal rights • required to refund payments earned as a result of the previous “actively engaged in farming” and eligibility determinations, according to the applicable program handbook. <p>Note: Follow 58-FI for issuing the initial notification letter.</p> <p>Note: 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 shall update the eligibility records through the eligibility or entity file.

447-457 (Reserved)

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

This form is available electronically.

<p>CCC-900-2 (08-02-18)</p> <p style="text-align: center;">U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p> <p style="text-align: center;">PAYMENT ELIGIBILITY/LIMITATION DOCUMENTS RECEIVED FROM PRODUCER CHECKLIST 2 <i>Agricultural Act of 2014</i></p>	<p>A. Producer Name Southland Partners</p> <p>B. State and County Office Name Jones County FSA Office; TX</p> <p>C. Program Year Reviewed <input checked="" type="checkbox"/> 2014 <input type="checkbox"/> 2015 <input type="checkbox"/> 2016 <input type="checkbox"/> 2017 <input type="checkbox"/> 2018</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 checked="" type="checkbox"/> A. Operating loan documents. <input checked="" type="checkbox"/> B. Income and expense ledgers. <input checked="" type="checkbox"/> C. Canceled checks for expenditures, such as: <input checked="" type="checkbox"/> (1) fertilizer <input checked="" type="checkbox"/> (2) seed <input checked="" type="checkbox"/> (3) chemicals <input checked="" type="checkbox"/> (4) fuel <input checked="" type="checkbox"/> (5) equipment leases and purchases <input checked="" type="checkbox"/> (6) land leases and purchases <input checked="" type="checkbox"/> (7) livestock and livestock related purchases <input checked="" type="checkbox"/> (8) hired labor or management <input type="checkbox"/> (9) other farming operation expenditures. <i>(Specify):</i> _____	HD	9-8-15	
2. Land	<input checked="" type="checkbox"/> A. Lease agreements. <input type="checkbox"/> B. Sales contracts. <input type="checkbox"/> C. Property tax statements. <input checked="" type="checkbox"/> D. Canceled checks associated with land. <input type="checkbox"/> E. Other: <i>(Specify):</i> _____	HD	9-8-15	
3. Equipment	<input checked="" type="checkbox"/> A. Lease agreements. <input type="checkbox"/> B. Purchase contracts. <input type="checkbox"/> C. Equipment listings. <input checked="" type="checkbox"/> D. Canceled checks associated with equipment. <input type="checkbox"/> E. Other: <i>(Specify):</i> _____	HD	9-8-15	
4. Labor	<input checked="" type="checkbox"/> A. Employee time sheets or books. <input checked="" type="checkbox"/> B. Canceled checks for hired labor. <input type="checkbox"/> C. Other: <i>(Specify):</i> _____	HD	9-8-15	

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 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. USDA is an equal opportunity provider, employer, and lender.

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-2 (08-02-18) Page 2

Producer Name: Southland Partners

Contribution or Determination	Documentation Required	Initial	Date	N/A
5. Management	<input type="checkbox"/> A. Canceled checks for hired management. <input checked="" type="checkbox"/> B. Loan documents. <input checked="" type="checkbox"/> C. Lease and purchase agreements. <input checked="" type="checkbox"/> D. Sales documents. <input checked="" type="checkbox"/> E. Appointment books. <input checked="" type="checkbox"/> F. Calendars. <input type="checkbox"/> G. Narrative summaries. <input type="checkbox"/> H. Phone logs. <input checked="" type="checkbox"/> I. Activity logs. <input type="checkbox"/> J. Contemporaneous records or logs of management activities. <input type="checkbox"/> K. Other: (Specify): _____	HD	9-8-15	
6. Commensurate	<input checked="" type="checkbox"/> A. Program documents: (Specify): <u>PLC and ARC applications</u> <input checked="" type="checkbox"/> B. Crop sales documents. <input checked="" type="checkbox"/> C. Warehouse ledgers. <input type="checkbox"/> D. Gin ledgers. <input type="checkbox"/> E. Corporation papers, including ownership share. <input checked="" type="checkbox"/> F. Partnership agreements. <input type="checkbox"/> G. Trust agreements. <input type="checkbox"/> H. Legal documents and contracts. <input checked="" type="checkbox"/> I. Accounting records. <input type="checkbox"/> J. Court records. <input checked="" type="checkbox"/> K. Crop insurance documents. <input type="checkbox"/> L. Other: (Specify): _____	HD	9-8-15	
D. Signature of Reviewing Authority or Review Team Member <i>1st Hal Drake</i>		E. Date (MM-DD-YYYY) 9-8-15		

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

This form is available electronically.

CCC-900-3 (08-02-18)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	A. Producer Name Southland Partners
PAYMENT ELIGIBILITY/LIMITATION CONTRIBUTION WORKSHEET Agricultural Act of 2014		B. State and County Office Name Jones County FSA Office; TX
		C. Program Year Reviewed <input checked="checked" type="checkbox"/> 2014 <input type="checkbox"/> 2015 <input type="checkbox"/> 2016 <input type="checkbox"/> 2017 <input type="checkbox"/> 2018

PART A – TOTAL VALUE OF THE FARMING OPERATION
Complete Part A to determine the total value of the farming operation.

	1. Capital	2. Land	3. Equipment	4. Labor	5. Management	6. Total
Jack Brooks	#3,000,000	\$1,290,000	\$500,000	\$300,000	-	\$5,090,000
Joanne Brooks				active	active	
Jake Brooks				active	active	
Judy Brooks				active	active	
7. TOTAL						\$5,090,000

8. Notes and Remarks

Total value of the farming operation is the total of the annual costs, excluding the value of the active personal labor and active personal management that is contributed by each member, that is needed to conduct the farming operation for the for which the determination is made.

Use information provided by the producer, extension service information, and values considered normal and customary for the area by the county committee.

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 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) 632-8992. 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: procom.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-3 (08-02-18)		Producer Name: Southland Partners			Page 2 of 12	
PART B - CAPITAL CONTRIBUTION						
Complete Part B to determine whether capital qualified as a significant contribution.						
Was capital used as a significant contribution? If "YES", complete this Part B. If "NO", go to Part C.				YES	NO	N/A
				X		
Step	Action					
1	Determine how the capital used as a significant contribution was acquired. Note: 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 checked="" 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: First Southwest Bank and Trust B. Indicate the percentage of capital contribution that was borrowed: <u>70%</u> 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 or any other joint operation with an interest in the farming operation? If "YES", the capital contribution may not qualify as a significant contribution.					

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-3 (08-02-18)		Page 3 of 12		
Producer Name: Southland Partners				
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>(1) If "YES", verify that the contribution equals as least 50 percent of the estimated expenses.</p> <p>(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>(1) If "YES", the farming operation has met its significant "left-hand" contribution.</p> <p>(2) If "NO", the farming operation has not met the requirements for significant "left-hand" contributions without additional "left-hand" contributions. Go to step 5.</p>	X		
5	<p>Summarize the facts involved in this determination, develop findings as appropriate, and go to Part C. The amounts shown on the projected budget and cash flow statements prepared for the lender were considered comparable to the annual capital requirements determined necessary for the this farming and livestock operation. Information from the CRES and FLP values were used for all comparative purposes.</p>			
PART C – EQUIPMENT CONTRIBUTION				
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.		X		
Step	Action	YES	NO	N/A
1	<p>Determine how the equipment used as a significant contribution was acquired.</p> <p>Note: Check the appropriate item or items, and go to the corresponding step of this worksheet.</p> <p><input checked="" type="checkbox"/> A. Owned by an operation or its members. Go to step 2.</p> <p><input checked="" 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 all of the equipment used in the farming operation?</p> <p>Note: Review accounting or tax depreciating records, if provided, and other information to confirm ownership of the equipment by the individual, entity, or joint operation.</p> <p>(1) 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>		X	
		X		
		X		

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-3 (08-02-18)		Page 4 of 12		
		Producer Name: Southland Partners		
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"> If "NO", equipment may be used as a significant contribution. 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. 		X	
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>Note: 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>Note: 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>		X	
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>		X	

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-3 (08-02-18)		Page 5 of 12				
Producer Name: Southland Partners						
Step	Action					
5	Summarize the facts involved in this determination, develop findings as appropriate, and go to Part D. The majority of the equipment contributed and used in the operation was owned by the partnership. None of the equipment was utilized by any other farming operations.					
PART D – LAND CONTRIBUTION						
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
				X		
Step	Action					
1	Determine how the land used as a significant contribution was acquired. Note: 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. Go to step 2. <input type="checkbox"/> B. Landowner: owned and contributed by members of joint operation. Go to step 3. <input checked="" type="checkbox"/> C. Crop-share lease: individual, entity, or joint operation. Go to step 4. <input checked="" type="checkbox"/> D. Cash-leased: individual, entity, or joint operation. Go to step 5. <input type="checkbox"/> E. Land contributed by combination of methods. Go to applicable steps 2 through 5.					
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. Note: 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? Note: 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. Note: 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? Note: 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? Note: 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.					

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-3 (08-02-18)		Page 6 of 12		
Producer Name: Southland Partners				
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"> • Obtain and review the deed or other title documents for the land. <p>Note: 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"> • 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. <p>Note: 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? If "NO", go to step 4. 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"> • Obtain and review the lease agreements between the farming operation and the landowner. <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"> • 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. <p>B. Was the landowner's share of the production the same as reported to FSA? 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>	X		
		X		
			X	

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-3 (08-02-18)		Page 7 of 12		
Producer Name: Southland Partners				
Step	Action	YES	NO	N/A
5	<p>Determinations if land is considered cash-leased by individual, entity, or joint operation.</p> <ul style="list-style-type: none"> • Review CCC-902 and cash-lease agreements. Determine who the land was leased from and if they had an interest in the farming operation. • 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. <p>Note: 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>		X	
6	<p>Determination of significant contribution.</p> <p>How did the reviewing authority determine total rental value of the land?</p> <p>Note: 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"> • 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. <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>Note: If "NO", the individual, entity, or joint operation cannot qualify as "actively engaged in farming" using land as its significant contribution.</p>		X	
7	<p>Summarize the facts involved in this determination, develop findings as appropriate, and go to Part E.</p> <p>All share leased and cash rented land was acquired by the farming operation at rates considered normal and customary for the area. The crop production from the share rented land was divided according to the shares represented and acreages reported. The rent for the cash rented land was paid timely and in accordance with the terms of the lease agreements. No land was rented or leased from any persons or legal entities that had an interest in the operation of the partnership.</p>			

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-3 (08-02-18)		Page 8 of 12		
		Producer Name: <i>Southland Partners</i>		
PART E – CASH-RENT TENANT				
Complete Part E to determine whether the producer meets the cash-rent tenant rule.				
		YES	NO	N/A
Step	Action			
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"> • If "YES", complete Part G to determine if the contribution of active personal labor was significant. • If "NO", complete Part C and Part H to determine if the producer provided a combination of significant contributions of equipment and management. 		X	
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"> • If "YES", complete step 3 and go to CCC-900-5. • If "NO", determine the producer ineligible for payment on the cash-rent land. Complete step 3 and go to worksheet CCC-900-5. 	X		
3	Summarize the facts involved in this determination, develop findings as appropriate, and go to Part F.			
PART F – COMBINATION OF CAPITAL, EQUIPMENT, AND LAND CONTRIBUTION				
Complete Part F determine whether a combination of capital, equipment, and land qualified as a significant contribution.				
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.		YES	NO	N/A
			X	
Step	Action			
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"> • 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: <ul style="list-style-type: none"> <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>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"> • If "YES", the requirements for significant "left-hand" contribution have been met. • If "NO", the requirements to be "actively engaged in farming" have not been met unless exception applies. <p>Check the appropriate exception if applicable:</p> <ul style="list-style-type: none"> <input type="checkbox"/> A. Family member provision (joint operation only) <input type="checkbox"/> B. Sharecropper 	YES	NO	N/A
3	Summarize the facts involved in this determination, develop findings as appropriate, and go to Part G.			

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-3 (08-02-18)		Page 9 of 12		
		Producer Name: Southland Partners		
PART G – ACTIVE PERSONAL LABOR CONTRIBUTION				
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
Step	Action			
1	<ul style="list-style-type: none"> • Review CCC-902 and interview the individual or individuals contributing active personal labor. • 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. • Is there any record of hours worked by the contributing individual or individuals? If "YES", review and obtain copies to document the determination? 			
2	<p>Is this producer a joint operation?</p> <ul style="list-style-type: none"> • If "YES", determine whether labor performed by a member of a joint operation, was excluded as a contribution. <p>Note: 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"> • Review accounting records and determine whether salaries were paid by the joint operation to any member. • If "NO", go to step 3. 			
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>Note: 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"> • How "draws" on capital accounts were considered at the end of the year when the profit or loss was disbursed • For joint operations, if commensurate shares were maintained for the members. 			

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-3 (08-02-18) Page 10 of 12

Producer Name: Southland Partners

PART H – ACTIVE PERSONAL MANAGEMENT CONTRIBUTION			
Complete Part H to determine whether active personal management qualified as a significant contribution.			
	YES	NO	N/A
Was active personal management used as a significant contribution. If "YES", complete Part G. If "NO", go to Part I.	x		
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"> • If "YES", determine whether management performed by a member of a joint operation, was excluded as a contribution. Note: If a member of joint operation is paid for any part of the contribution, the contribution cannot be counted. • Review accounting records and determine whether salaries were paid by the joint operation to any member. • If "NO", go to step 3. 		
	x		
	<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"> • If "YES", go to question C • If "NO", go to question H. 		
	<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"> • If "YES", go to question E • If "NO", go to question D. 		
	<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"> • If "YES", go to question E • If "NO", go to question H. 		
	<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"> • If "YES", go to question F • If "NO", go to question H. 		
	<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"> • If "YES", go to question G • If "NO", go to question H. 		
	<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>		

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-3 (08-02-18)		Producer Name: Southland Partners			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"> Does the individual(s) have knowledge of the farming operation commensurate with their claimed contribution of management? Ask the individual(s) how the management duties performed contribute to the profitability of the farming operation. <p>Compare the written description of management on CCC-902 with the individual's comments.</p> <p>Note: 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	<p>Has the individual(s) prepared written management reports during the year? If "NO", go to step 5. If "YES", review and obtain copies.</p>	X			
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"> If "YES", how often? If "NO", how are management duties performed? 	X			
6	<p>Determine:</p> <ul style="list-style-type: none"> How "draws" upon capital accounts were considered at the end of the year when the profit or loss was disbursed. For joint operations, if commensurate shares were maintained for the members. <p>No draws were made by the members during the year.</p>				
7	<p>Compare the reported management contribution to the operation with the review results, and determine whether there is a significant difference.</p> <p>There were no significant differences found or noted.</p>				
8	<p>Summarize the facts involved in this determination, develop findings as appropriate, and go to Part I.</p> <p>The documentations provided and the personal interviews supported the members' assertions and representations of their management duties and responsibilities.</p>				

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

CCC-900-3 (08-02-18)		Page 12 of 12	
Producer Name: Southland Partners			
PART I – CONTINUATION OF ACTIVE PERSONAL LABOR AND ACTIVE PERSONAL MANAGEMENT CONTRIBUTION			
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 checked="" type="checkbox"/>
Step	Action		
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.		
PART J – COMMENSURATE AND AT-RISK CONTRIBUTIONS			
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
Jack Brooks		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Joanne Brooks		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jake Brooks		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Judy Brooks		<input checked="" 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
Jack Brooks		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Joanne Brooks		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jake Brooks		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Judy Brooks		<input checked="" type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
Summarize the reasons for the responses. Each member individually signed all financing statements, notes, and security agreement as personally responsible for repayment. Each member contributed significant active personal labor and active personal management as represented. The members of the operation have no other farming interests. Personal interviews confirmed that this business is their livelihood.			
D. Signature of Reviewing Authority or Review Team Member		E. Date (MM-DD-YYYY)	
<i>1st Jack C. Morgan</i>		9-9-15	

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

This form is available electronically.

<p>CCC-900-4 (08-02-18)</p> <p style="text-align: center;">U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p> <p style="text-align: center;">PAYMENT ELIGIBILITY/LIMITATION SUBSTANTIVE CHANGE AND OTHER DETERMINATIONS WORKSHEET <i>Agricultural Act of 2014</i></p>	<p>A. Producer Name Southland Partners</p> <p>B. State and County Office Name Jones County FSA Office; TX</p> <p>C. Program Year Reviewed <input checked="" type="checkbox"/> 2014 <input type="checkbox"/> 2015 <input type="checkbox"/> 2016 <input type="checkbox"/> 2017 <input type="checkbox"/> 2018</p>
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PART A – SUBSTANTIVE CHANGE

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.	YES	NO
		X

Step	Action	Finding
1	Was substantive change required? <input type="checkbox"/> YES <input type="checkbox"/> NO • If "YES", go to step 2. • If "NO", enter the reason in the "Finding" column and go to Part B. Example: The formation of a husband and wife joint venture does not require substantive change.	
2	If substantive change was required, list what COC considered substantive change.	
3	Include the substantive change that occurred. Note: Go to the following step containing the substantive change that occurred.	
A	If addition of adult family member , determine whether the application of the adult family member rule qualifies the additional limitation.	
B	If change in land rental from cash-lease to share-lease, determine whether the change qualifies a landowner as an additional limitation.	
C	If a 20 percent increase in base acres , determine whether the change qualifies the additional limitation.	
D	If a change in ownership of equipment or land , determine whether the change qualifies the additional limitation.	
E	If addition of equipment 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.	

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459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

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Producer Name: Southland Partners

PART B – FOREIGN PERSONS AND OTHER DETERMINATIONS			
Complete Part B to determine whether foreign person determinations and other determinations were correctly made.			
Step	Determination	Action	Finding
1	Other farming interest	Did the producer indicate any other farming interests, including interest of spouse and minor? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <ul style="list-style-type: none"> If "YES", verify that all were reported by reviewing system reports. If "NO", verify by reviewing system reports, such as the entity interest report. 	No other farming interests.
2	Common attribution	Review the initial determination to determine whether the common attribution rule applies. Is there a reason that common attribution applies? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <ul style="list-style-type: none"> If "YES", explain. 	
3	Foreign person	Do foreign person rules apply? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <ul style="list-style-type: none"> If "YES", specify and go to CCC-900-3. If "NO", go to CCC-900-3. 	All members represented to be U.S. Citizens.
4	Estate	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? <input type="checkbox"/> YES <input type="checkbox"/> NO <ul style="list-style-type: none"> If "NO", was the estate kept open for the purpose of receiving program benefits. <input type="checkbox"/> YES <input type="checkbox"/> NO If "YES", estate is not eligible for the year reviewed. 	Not applicable.
5	Deceased Producer	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? <input type="checkbox"/> YES <input type="checkbox"/> NO <ul style="list-style-type: none"> If "YES", were reviews completed and appropriate actions taken in accordance with 1-CM? <input type="checkbox"/> YES <input type="checkbox"/> NO If "NO", document in Findings. 	Not applicable. All members are living.

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F Example of Completed CCC-900 Package (Continued)

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		Producer Name: Southland Partners	
PART B – FOREIGN PERSONS AND OTHER DETERMINATIONS (Continuation)			
6	Required State Office Determinations	Is the producer a joint operation with 6 or more members? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO (<i>go to step 8</i>) • If "YES", did the State Office timely make the initial eligibility and actively engaged in farming determinations as required? <input type="checkbox"/> YES <input type="checkbox"/> NO • If "NO", note explanation in Findings.	
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 checked="" type="checkbox"/> YES <input type="checkbox"/> NO • If "NO", document in Findings as a default determination.	
D. Signature of Reviewing Authority or Review Team Member			E. Date (MM-DD-YYYY)
<i>1st Josephine M. Rodriguez</i>			9-9-15

459 Completing and Documenting Reviews (Continued)

F Example of Completed CCC-900 Package (Continued)

This form is available electronically.

<p>CCC-900-5 (08-02-18)</p> <p style="text-align: center;">U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p> <p style="text-align: center;">PAYMENT ELIGIBILITY/LIMITATION SUMMARY OF FINDINGS AND RECOMMENDATIONS <i>Agricultural Act of 2014</i></p>	<p>A. Producer Name Southland Partners</p> <p>B. State and County Office Name Jones County FSA Office, TX</p> <p>C. Program Year Reviewed <input checked="" type="checkbox"/> 2014 <input type="checkbox"/> 2015 <input type="checkbox"/> 2016 <input type="checkbox"/> 2017 <input type="checkbox"/> 2018 </p>
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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.	X				
2. Significant contribution of land.	X				
3. Significant contribution of capital.	X				
4. Significant contribution of equipment.	X				
5. Significant contribution of "left-hand" combination.	X				
6. Significant contribution of active personal labor.		X			
7. Significant contribution of active personal management.	X				
8. Significant contribution of "right-hand" combination.		X			
9. Share of profits and losses commensurate with contributions.	X				
10. Contributions at risk.	X				
11. Foreign person rule met.				X	
12. Spousal provision requirements met.				X	
13. Common attribution determination correct.				X	
14. Minor child determination correct.				X	
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"> • Performed on a regular basis • Identifiable and documentable • Separate and distinct from contributions of other partners, stockholders, or members? 				X	
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.				X	

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.

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F Example of Completed CCC-900 Package (Continued)

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Producer Name: Southland Partners			
17. Number of members of the farming operation claiming to make a significant contribution of active personal labor.	0		
18. Number of members of the farming operation determined to have made a significant contribution of active personal labor.	0		
19. Number of members of the farming operation claiming to make a significant contribution of active personal management.	4		
20. Number of members of the farming operation determined to have made a significant contribution of active personal management.	4		
	YES	NO	N/A
21. "Actively engaged in farming" requirements met. If "YES", select the following factors or findings that explains how: <input checked="" type="checkbox"/> Land <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Equipment <input type="checkbox"/> Active personal labor <input type="checkbox"/> Active personal management <input type="checkbox"/> Landowner exemption	X		
22. Cash-rent tenant rule met. If "YES", select the following factors or findings that explains how: <input type="checkbox"/> Active personal labor <input checked="" type="checkbox"/> Equipment <input checked="" type="checkbox"/> Active personal management	X		
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 of base acres of 20 percent or more <input type="checkbox"/> Ownership change of land or equipment by sale or gift to new member <input type="checkbox"/> Addition of equipment to the farming operation			X
24. Were the initial determinations correct? If "YES", go to Item 28. If "NO", provide a detailed explanation of why not in Item 30.	X		
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 checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	
29. Is the review complete?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO	
30. Recommendations Review Team #5 recommends that the determinations of record be affirmed and that farming operation remains eligible for 2014 program payments and benefits received subject to limitation.			
D. Signature of Reviewing Authority or Review Team Member <i>Isi Hot Stoddard</i>		E. Date (MM-DD-YYYY) 9-9-15	
Submitted to the COC or STC for review and determinations.			
F. Date Submitted (MM-DD-YYYY):			

460-470 (Reserved)

