

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice PL-263

For: State and County Offices

**Web-Based Subsidiary Eligibility System
New “Adjusted Gross Income - 2014 Farm Bill” Section**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Agricultural Act of 2014 (2014 Farm Bill) stipulates that a person or legal entity shall **not** be eligible to receive certain program benefits during a crop, fiscal, or program year, as appropriate, if the average AGI of the person or legal entity exceeds \$900,000.

One objective of the web-based Subsidiary Eligibility System is to provide users with the ability to record determinations. The web-based Subsidiary Eligibility System has been modified to implement the \$900,000 AGI provisions.

Notice PL-260 provided information and instructions on the 2014 Farm Bill payment eligibility and payment limitation provisions.

B Purpose

This notice:

- advises State and County Offices that the web-based Subsidiary Eligibility System modifications are available to provide the new “Adjusted Gross Income – 2014 Farm Bill” section
- provides guidance on updating the new “Adjusted Gross Income – 2014 Farm Bill” section.

Disposal Date	Distribution
January 1, 2015 7-7-14	State Offices; State Offices relay to County Offices

2 Web-Based Subsidiary Eligibility System Modifications

A Introduction

The web-based Subsidiary Eligibility System modifications have been released for the new “Adjusted Gross Income – 2014 Farm Bill” section.

Note: Procedure will be included in a forthcoming amendment to 3-PL (Rev. 1).

B New Option Available in the Web-Based Subsidiary Eligibility System

The web-based Subsidiary Eligibility System new “Adjusted Gross Income – 2014 Farm Bill” section will be available when the modifications are released according to subparagraph A, with the following default values:

- for “\$900,000 Total Income Certification/COC Determination”:
 - **“Not Filed”** for “Non-Exempt” type customers
 - **“Exempt”** for “Exempt” type customers
- for “SED Determination”, **“No Determination”**.

C Example

The “Adjusted Gross Income – 2014 Farm Bill” section will be displayed for 2011 and subsequent years. The following is an example of the “Adjusted Gross Income – 2014 Farm Bill” section with default values.


Adjusted Gross Income - 2014 Farm Bill


\$900,000 Total Income Certification/COC Determination

<input type="radio"/> Compliant - Producer	<input type="radio"/> Compliant
<input type="radio"/> Exempt	<input checked="" type="radio"/> Not Filed
<input type="radio"/> Not Compliant	<input type="radio"/> Not Met - Producer
<input type="radio"/> Failed Verification	

SED Determination

<input checked="" type="radio"/> No Determination	<input type="radio"/> Compliant-SED
<input type="radio"/> Not Met-SED	

Date Documentation Filed by Producer 

Date of SED Determination 

2 Web-Based Subsidiary Eligibility System Modifications (Continued)

D Fields Applicable to AGI 2014 Farm Bill Determinations

The following provides a definition of the fields applicable to AGI 2014 Farm Bill determinations.

Field	Option	Explanation
Certification/ COC Determination	Compliant - Producer	Producer/Agent has certified their average AGI does not exceed \$900,000 and verification has been received from IRS supporting the certification.
	Compliant	Producer/Agent has certified their average AGI does not exceed \$900,000 and IRS has verified a match for the customer information; however, 3 years of tax information is not available.
	Exempt	Producer is exempt from AGI provisions.
	Not Filed	Producer/Agent has not filed CCC-941 or the eligibility verification has not been received back from IRS.
	Not Compliant	Producer/Agent has certified their average AGI does not exceed \$900,000; however, IRS has determined the average AGI exceeds the \$900,000 threshold.
	Not Met - Producer	Producer/Agent has filed CCC-941, but has indicated that their average AGI exceeds \$900,000.
	Failed Verification	Producer/Agent has certified their average AGI does not exceed \$900,000; however, IRS cannot find a customer match and; therefore, cannot determine average AGI.
SED Determination	No Determination	Case has not been reviewed by the State Office to determine if AGI provisions have been met.
	Compliant – SED	Case has been reviewed by the State Office and/or SED and the determination was made that the producer meets AGI provisions.
	Not Met - SED	Case has been reviewed by the State Office and/or SED and the determination was made that the producer does not meet AGI provisions.
Date Documentation Filed by Producer		<p>Date producer provided all required documentation certifying “Not Met - Producer” for the certification/COC determination.</p> <p>Note: A future enhancement will include an additional field called “Date Processed by IRS” and will display the date IRS received or processed CCC-941.</p>
Date of SED Determination		Date State Office and/or SED determined the producer’s AGI eligibility status.

2 Web-Based Subsidiary Eligibility Modifications (Continued)

E Updating AGI 2014 Farm Bill Certification/COC Determinations

The AGI 2014 Farm Bill certification/COC determination will automatically update after CCC-941 is processed by IRS. The process will occur on a weekly basis on Friday evenings. See 5-PL, Part 6 for additional information on providing and processing CCC-941. The table in subparagraph D describes the certifications.

County Offices are responsible for updating customers who indicated that their average AGI exceeds \$900,000. If the customer certifies they do **not** meet AGI provisions, CCC-941 shall **not** be sent to IRS for processing.

Access the web-based Subsidiary Eligibility System according to 3-PL (Rev. 1), paragraph 24 and perform the following steps.

Step	Action
1	On the Eligibility Page, navigate to the “Adjusted Gross Income – 2014 Farm Bill” section.
2	<p>If the customer indicated their average AGI exceeds \$900,000, then do the following:</p> <ul style="list-style-type: none"> • under “900,000 Total Income Certification/COC Determination”, CLICK “Not Met – Producer” radio button • in the “Date Documentation Filed by Producer” field, enter the date the producer provided the documentation for the determination • CLICK “Submit”.
3	<p>On the Validation Screen, verify the changes for the customer are correct, and click 1 of the following:</p> <ul style="list-style-type: none"> • “Accept”, if the changes are correct • “Revise”, if the changes need to be updated • “Cancel”, if the changes should not have been made.
4	The Eligibility Page will be redisplayed with the updates to the customer.

F Updating AGI 2014 Farm Bill SED Determinations

Authorized State Office users have the ability to review and update the SED determination, when applicable. See 5-PL, paragraph 308 for additional information on FSA reviews and compliance determinations.

In a future enhancement, the Subsidiary Eligibility Report will be updated to allow State and County Offices to select AGI 2014 determinations for a specific county to review customers. Until the Subsidiary Eligibility Report is updated, a weekly report will be e-mailed to State Offices providing a list of the customers that are “Not Compliant”.

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2 Web-Based Subsidiary Eligibility System Modifications (Continued)

F Updating AGI 2014 Farm Bill SED Determinations (Continued)

Authorized State Office users will access the web-based Subsidiary Eligibility System according to 3-PL (Rev. 1), paragraph 24 and perform the following steps when the case has been reviewed by the State Office and/or SED and a determination has been made.

Step	Action
1	On the Eligibility Page, navigate to the “Adjusted Gross Income – 2014 Farm Bill” section.
2	<p>If the determination was made that:</p> <ul style="list-style-type: none">the producer meets AGI provisions, then under “SED Determination”, CLICK “Compliant-SED”the producer does not meet AGI provisions, then under “SED Determination”, CLICK “Not Met-SED”in the “Date of SED Determination” field, enter date the determination was madeCLICK “Submit”.
3	<p>On the Validation Screen verify the changes for the customer are correct and click 1 of the following:</p> <ul style="list-style-type: none">“Accept”, if the changes are correct“Revise”, if the changes need to be updated“Cancel”, if the changes should not have been made.
4	The Eligibility Page will be redisplayed with the updates to the customer.

3 Customer Data in SCIMS With No Match in IRS

A Introduction

Customer data in SCIMS that does **not** match IRS data will **not** automatically process. County Offices should ensure that customers recorded in SCIMS contain the same tax ID, tax ID type, and customer name that the customers use to file IRS taxes, and update SCIMS as needed. If the customer data provided on CCC-941 does **not** match IRS data, the AGI determination will **not** automatically update.

3 Customer Data in SCIMS With No Match in IRS (Continued)

B IRS Mismatch Report

An IRS Mismatch Report will be available in the future on the “Subsidiary Reports” tab identifying customers **not** found by IRS. Until the IRS Mismatch Report is available through the web-based Subsidiary Eligibility System, State Offices will be provided with a weekly report, by e-mail, of all customers processed through IRS that did **not** match the data in SCIMS.

State Offices will be responsible for working with their County Offices to correct customers listed on the IRS Mismatch Report by correcting the customer’s data in SCIMS and resubmitting CCC-941.

C IRS Mismatch Report Exceptions

There are valid exceptions on the IRS Mismatch Report for specific types of customers. If a customer is an individual and has elected to apply for program benefits as a revocable trust or LLC with a “Social Security Number” tax ID type, SCIMS data will **not** match IRS data, because CCC-941 is submitted for the individual **not** the revocable trust or LLC. As such, the name in SCIMS will **not** match and the customer will be included on the IRS Mismatch Report, but the customer is valid in both systems.

Note: County Offices shall **not** update SCIMS for these types of customers in an effort to try to get the AGI data to update in the web-based Subsidiary Eligibility System.

Customers will be included on the IRS Mismatch Report and an indicator will be available to provide the appropriate determination. County Offices are responsible for working with their State Office to update AGI 2014 Farm Bill SED determinations. Authorized State Office users will have the ability to update SED determinations to “Compliant - SED” or “Not Met – SED”, based on the information provided on the IRS Mismatch Report.