

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice PL-266

For: State and County Offices

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

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Notice PL-263 provided information on the new “Adjusted Gross Income - 2014 Farm Bill” section in the web-based Subsidiary Eligibility System.

The process to submit a producer’s CCC-941 to IRS and receive a determination from IRS is taking approximately 4 weeks or more before the “Adjusted Gross Income - 2014 Farm Bill” determination is updated.

The “Adjusted Gross Income - 2014 Farm Bill” section will be redesigned in 2 phases. Phase 1 is being implemented now and will allow County Offices to update a new “Filed CCC-941” flag that will allow immediate payment processing.

B Purpose

This notice:

- advises State and County Offices that a new “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Certification/COC Determination option, “Filed CCC-941”, was available on or around December 8, 2014
- provides guidance on updating the new “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Certification/COC Determination option to “Filed CCC-941”.

Disposal Date

June 1, 2015

12-10-14

Distribution

State Offices; State Offices relay to County Offices

2 Web-Based Subsidiary Eligibility System “Adjusted Gross Income - 2014 Farm Bill” Modifications

A Introduction

The “Adjusted Gross Income - 2014 Farm Bill” section will be redesigned in 2 phases.

Phase 1 was available on or around December 8, 2014, and will allow users to update a new “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Certification/COC Determination option, “Filed CCC-941”. This option will allow payment processes to immediately determine AGI eligibility for producers.

Notes: The payment processes for Cotton Transition Assistance Program, LFP, LIP, NAP, TAP, and interior MLG/LDP began reading AGI again on or about December 9, 2014.

The Conservation Online System resumed reading AGI for contract approval on or about December 9, 2014.

Phase 2 will be released at a future time and will provide a redesign of the “Adjusted Gross Income - 2014 Farm Bill” section with separate fields for:

- producer certification
- IRS verification
- State Office/SED determination.

B New Option in “Adjusted Gross Income - 2014 Farm Bill” Section

The new “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Certification/COC Determination option, “Filed CCC-941”, will be available when the modifications are released according to subparagraph A.

This is an example of the updated “Adjusted Gross Income - 2014 Farm Bill” section.

Adjusted Gross Income - 2014 Farm Bill

\$900,000 Total Income Certification/COC Determination

☐ Compliant - Producer
☐ Compliant

☐ Exempt
☒ Not Filed

☐ Not Compliant
☐ Not Met - Producer

☐ Failed Verification
☐ Filed CCC-941

SED Determination

☒ No Determination
☐ Compliant-SED

☐ Not Met-SED

Date Processed by IRS

Date Documentation Filed by Producer

Date of SED Determination

2 Web-Based Subsidiary Eligibility System “Adjusted Gross Income - 2014 Farm Bill” Modifications (Continued)

C Fields Applicable to “Adjusted Gross Income - 2014 Farm Bill” Determinations

The following table provides a definition of the fields applicable to “Adjusted Gross Income - 2014 Farm Bill” determinations.

Field	Option	Explanation
\$900,000 Total Income 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 the average AGI.
	Filed CCC-941	Producer/Agent has filed the AGI certification form and certified their average AGI does not exceed \$900,000.
SED Determination	No Determination	Case has not been reviewed by the State Office to determine whether 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 Processed by IRS		Display only field updated automatically with the date IRS processed the producer’s CCC-941.
Date Documentation Filed by Producer		Date producer provided all required documentation for the certification/COC determination.
Date of SED Determination		Date State Office and/or SED determined the producer’s AGI eligibility status.

2 Web-Based Subsidiary Eligibility System “Adjusted Gross Income - 2014 Farm Bill” Modifications (Continued)

D Updating “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Certification/COC Determination

County Office users:

- are responsible for updating customers who file CCC-941
- are **not** required to update the “Filed CCC-941” option for customers previously updated automatically from the IRS to Subsidiary process in FY 2011 through FY 2014
- shall update the “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Certification/COC Determination for all customers who have filed CCC-941 in FY 2011 through FY 2014 that have **not** been automatically updated by IRS
- shall update the “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Certification/COC Determination for all customers who have filed CCC-941 in FY 2015
- are responsible for sending CCC-941 to IRS for processing if the customer certifies they do **not** exceed \$900,000
- shall **not** send CCC-941 to IRS for processing for customers certifying they exceed the \$900,000 threshold
- shall **not** request CCC-941 from customers who are “Exempt” from AGI provisions. However, if CCC-941 is inadvertently filed, County Offices shall **not** send CCC-941 to IRS for processing.

Notes: Customers with the following business types are “Exempt” from AGI provisions:

- general partnership
- joint venture
- Federally owned
- State owned
- public school
- Indian tribal venture.

See 5-PL for additional information on CCC-941 filing requirements.

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2 Web-Based Subsidiary Eligibility System “Adjusted Gross Income - 2014 Farm Bill” Modifications (Continued)

D Updating “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Certification/COC Determination (Continued)

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	<ul style="list-style-type: none">• If the average AGI of the producer indicated:<ul style="list-style-type: none">• does not exceed \$900,000, CLICK “Filed CCC-941” under “\$900,000 Total Income Certification/COC Determination”• exceeds \$900,000, CLICK “Not Met - Producer” under “\$900,000 Total Income Certification/COC Determination”.• Enter the date the producer provided the documentation for the determination in the “Date Documentation Filed by Producer” field.• CLICK “Submit”.
3	On the Validation Page, verify the changes for the producer are correct, and click 1 of the following: <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 producer.

E Automatic Updates From the IRS to Subsidiary Process

The automatic process to update the “Adjusted Gross Income - 2014 Farm Bill” \$900,000 Total Income Certification/COC Determination from IRS will be placed on hold during Phase 1. County Office users shall continue to submit producer’s CCC-941 to IRS. IRS will continue to input and process the producer’s CCC-941 and the Subsidiary Eligibility System will hold the data until Phase 2 is implemented. See 5-PL, Part 6 for additional information on providing and processing CCC-941.

Note: Additional information will be provided in Phase 2 in the near future as described in subparagraph A.

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.

B IRS Mismatch Report

The IRS Mismatch Report will **not** be processed while the automatic IRS to Subsidiary process is on hold during Phase 1.

State Offices shall continue to work with their County Offices to correct customers listed on the previously sent IRS Mismatch Reports 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 "Adjusted Gross Income - 2014 Farm Bill" SED Determination. Authorized State Office users have the ability to update SED determinations to "Compliant - SED" or "Not Met - SED", based on the information provided on the IRS Mismatch Report.

4 Action

A County Office Action

County Offices shall ensure that the "Adjusted Gross Income - 2014 Farm Bill" \$900,000 Total Income Certification/COC Determination is updated according to paragraph 2 for producers who have filed CCC-941.