

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Web-Based Subsidiary Files
for 2009 and Subsequent Years
3-PL (Revision 2)**

Amendment 3

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Background

Each year in late September, subsidiary rollover processing occurs to create records for the next FY. The FY 2017 rollover process for subsidiary data occurred the weekend of September 23, 2016.

County Offices are responsible for ensuring an IRS determination or State Office/SED determination is received timely when a producer certifies to not exceeding the \$900,000 threshold on CCC-941.

B Reasons for Amendment

Subparagraph 21 B has been amended to add replication time for new Business Partner records to subsidiary.

Subparagraph 21 C has been amended to display the applicable eligibility values in the years 2010 through 2017.

Subparagraph 25 C has been amended to provide additional explanation on the AD-1026 Certification.

Subparagraph 26 G has been amended to include additional information for Indians represented by BIA.

Subparagraph 26 J has been added to provide steps for timely AGI determination.

Subparagraph 31 C has been amended to add replication time for Farm Records changes to subsidiary.

Subparagraph 36 A has been amended for the availability of Fraud - including FCIC Fraud through subsidiary year 2016.

Amendment Transmittal (Continued)

B Reason for Amendment (Continued)

Subparagraph 41 C has been amended to include additional information when members have certified compliance with SDA farmer or rancher.

Paragraph 42 has been added to provide information on eligibility determinations after a customer is merged in Business Partner.

Subparagraph 306 H has been amended to include a note for authorized State Office users to update the AGI 2014 Farm Bill State Office/SED Determination.

Subparagraph 536 A has been amended to include additional information on individual members of a joint operation.

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Part 3 Producer Eligibility Information

20 General Information

A Introduction

This part provides information and procedure for accessing and updating the web-based Eligibility System.

B Purpose of the Data in the Eligibility System

The Eligibility System is designed to record information needed to ensure that only producers who comply with applicable program provisions receive USDA program benefits. Therefore, it is critical that information in the Eligibility System be updated properly. Data in the Eligibility System is used to determine producer program benefit eligibility for, but **not** limited to, the following programs:

- ad-hoc disaster programs
- Agricultural Management Activities
- Agriculture Risk Coverage
- ACRE Program
- Conservation Security Program
- Conservation Stewardship Program
- CRP
- DCP
- ECP
- ELAP
- EQIP
- FLP
- GRP
- LFP
- LIP
- NAP
- Price Loss Coverage
- Price Support loans and LDP's
- Supplemental Revenue Assistance Payments Program
- TAP
- Wildlife Habitat Incentives Program.

21 Web-Based System Eligibility Records

A Introduction

In the web-based system, an eligibility record is created for each customer recorded in Business Partner that is also linked to at least one FSA County Office. Like Business Partner, only 1 eligibility record will exist for each customer in the web-based environment.

B Creating Eligibility Records for New FSA Customers

Eligibility records will be created with default values for new FSA customers when the required name and address information is updated in Business Partner. This process occurs *-- within 15 minutes when users click “Save” and the record information is updated in--* Business Partner.

Note: An eligibility record will **not** be created unless the customer is linked to at least one FSA County Office.

See each applicable paragraph for information on the default values for each eligibility determination.

21 Web-Based System Eligibility Records (Continued)

C Availability of Subsidiary Eligibility Data

The following is a guide to show the eligibility value and the years to be displayed. As new programs are announced, the system will be updated.

Note: See 3-PL for eligibility values for 2009 and prior years.

*--

| Description | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|------|------|------|------|------|------|------|------|
| Actively Engaged | X | X | X | X | X | X | X | X |
| Actively Engaged - 2002 Farm Bill | X | X | X | X | X | X | X | X |
| AD-1026 | X | X | X | X | X | X | X | X |
| Adjusted Gross Income - 2002 Farm Bill | X | X | X | X | X | X | X | X |
| Suspended Producer | X | X | X | | | | | |
| AGI - 2008 Farm Bill - Commodity Program \$500,000 Nonfarm Income Certification/COC | X | X | X | X | | | | |
| AGI - 2008 Farm Bill - Direct Payment \$1 Million Total Income | | | X | X | | | | |
| AGI - 2008 Farm Bill - Direct Payment \$750,000 Farm Income Certification/COC Determination | X | X | X | X | | | | |
| AGI - 2008 Farm Bill - Conservation Program \$1 Million Nonfarm Income Certification/COC | X | X | X | X | X | X | X | X |
| AGI - 2014 Farm Bill | | X | X | X | X | X | X | X |
| Beginning Farmer or Rancher | X | X | X | X | X | X | X | X |
| Cash Rent Tenant and Cropland | X | X | X | X | X | X | X | X |
| Conservation Compliance | X | X | X | X | X | X | X | X |
| Controlled Substance | X | X | X | X | X | X | X | X |
| Delinquent Debt | X | X | X | X | X | X | X | X |
| Federal Crop Insurance | X | X | X | X | X | X | X | X |
| Foreign Person | X | X | X | X | X | X | X | X |
| Fraud - including FCIC Fraud | X | X | X | X | X | X | X | |
| Limited Resource Farmer or | X | X | X | X | X | X | X | X |
| NAP Non-Compliance | X | X | X | X | X | X | X | X |
| Permitted Entity - 2002 Farm Bill | X | X | X | X | X | X | X | X |
| Person Eligibility - 2002 Farm Bill | X | X | X | X | X | X | X | X |
| SDA Farmer or Rancher: | | | | | | | | |
| • includes ethnic and racial, but not | X | X | X | X | X | X | X | X |
| • includes ethnic, racial, and | X | X | X | X | X | X | X | X |

--*

21 Web-Based System Eligibility Records (Continued)

D BIA ID Number

An eligibility record will **not** be created for BIA with the employer ID number. Indians represented by BIA are the producers requesting program benefits and as such eligibility records should be created and updated for the Indian represented by BIA, **not** BIA. BIA does **not** actually own land or participate in FSA programs. Therefore, there is no reason to create and update eligibility data for BIA.

* * *

25 AD-1026 Certification Information (Continued)

C Fields Applicable to AD-1026 Certifications

The following provides fields applicable to AD-1026 certifications.

| Field | Option | Explanation |
|-----------------|------------------------------------|--|
| "Certification" | "Certified" | <p>This option shall be selected when any of the following conditions exist:</p> <ul style="list-style-type: none"> • producer and all affiliates have certified AD-1026 • producer has certified that they are not associated with an ineligible tract •*--producer is certifying for FCIC provisions only (number 6 of AD-1026 appendix)--* • a member of a joint operation has certified on CCC-902 that they do not have any other farming interests and are not associated with any farms (CCC-902 is not required if certifying solely for FCIC). <p>Note: If a producer's only farming interest is an entire farm enrolled in CRP, a signed CRP-817U is considered the same as having certified AD-1026.</p> |
| | "Not Filed" | <p>This option indicates either of the following:</p> <ul style="list-style-type: none"> • producer has not filed AD-1026 • producer did not certify compliance on AD-1026. |
| | "Good Faith Determination" | <p>Producer cannot certify compliance with HELC/WC provisions because of a violation but has received a good faith determination reinstating payment eligibility.</p> |
| | "COC Exemption" | <p>Producer cannot certify compliance with HELC/WC provisions because of a violation but has received an exemption reinstating payment eligibility.</p> |
| | "Awaiting Affiliate Certification" | <p>This option indicates:</p> <ul style="list-style-type: none"> • producer has certified AD-1026 • all affiliates have not certified to AD-1026 compliance. |
| | "Affiliate Violation" | <p>This option indicates the producer is an affiliate of a producer who has violated HELC/WC provisions.</p> <p>Note: Tract HELC/WC determinations update the web-based Eligibility System without user intervention. If a producer has a HELC/WC violation and that producer has an affiliate that does not have farming interest on the "violated" tract, then the user of the web-based Subsidiary System must update the "Affiliate Violation" option. FRS will not update the affiliate's eligibility automatically. If a producer is certifying solely for FCIC provisions (number 6 of AD-1026 appendix) and affiliate violation is for CW+13 or earlier, the producer shall be changed to "certified" to communicate eligibility to RMA. Farm/tract eligibility must be set to "past violation" to communicate ineligibility to FSA and NRCS."</p> |

25 AD-1026 Certification Information (Continued)

C Fields Applicable to AD-1026 Certifications (Continued)

| Field | Option | Explanation |
|--|--------|--|
| “AD-1026 Date of Continuous Certification Signed By Producer” | | <p>The later of the following:</p> <ul style="list-style-type: none"> • date the producer signed AD-1026, item 12 • date AD-1026 is received in the County Office. <p>*--Note: If AD-1026 is mailed, post mark date should be used.--*</p> <p>An entry is required if either of the following options are selected as the “Certification”:</p> <ul style="list-style-type: none"> • “Certified” • “Awaiting Affiliate Certification”. <p>Note: For affiliates that are not required to file AD-1026, County Offices shall enter the date from AD-1026 filed by the entity/joint operation requesting benefits. County Offices are not required to change information previously entered in the web-based Subsidiary System.</p> <p>Enter date according to acceptable formats in subparagraph 13 A. The date will automatically populate if “Update AD-1026 Date Continuous Certification/ Authorization Signed by Producer with above date” was selected in the “Actively Engaged” section. Verify the date entered is the date producer signed AD-1026. If the date was automatically populated, verify the date populated is the date the producer signed AD-1026.</p> |

26 AGI - 2014 Farm Bill Determination Information (Continued)

G Updating AGI - 2014 Farm Bill Producer Certification

Following acceptance of the completed CCC-941 **and** user updating the producer certification to “Filed CCC-941”, the Adjusted Gross Income - 2014 Farm Bill Certification IRS determination will automatically update after CCC-941 is processed by IRS. The process will occur on a weekly basis as soon as the IRS file is received. The table in subparagraph D describes the certifications. See 5-PL, Part 6 for additional information on submitting and processing CCC-941’s.

County Office users:

- are responsible for updating customers who file the CCC-941
- 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 the following:
 - customer certifies they exceed \$900,000
 - “Exempt” type customers as described in subparagraph B
 - *--Indians represented by BIA with no tax ID.--*

26 AGI - 2014 Farm Bill Determination Information (Continued)

G Updating AGI - 2014 Farm Bill Certification/COC Determination (Continued)

- shall access the web-based Eligibility System according to paragraph 22 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 producer’s and/or agent’s certification of average AGI indicated:</p> <ul style="list-style-type: none"> • does not exceed \$900,000, CLICK “Filed CCC-941” under “\$900,000 Total Income Producer Certification” • exceeds \$900,000, CLICK “Not Met - Producer” under “\$900,000 Total Income Producer Certification”. <p>*--Enter the date the producer signed CCC-941 in the “Date Documentation Filed by Producer” field.--*</p> <p>CLICK “Submit”.</p> |
| 3 | <p>On the Validation Page, verify the changes for the producer 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 producer. |

26 AGI - 2014 Farm Bill Determination Information (Continued)

***--J Steps for Timely AGI Determination**

County Offices shall ensure an IRS determination or State Office/SED determination is received within 180 days of the producer certifying to not exceeding the \$900,000 threshold.

Producers who filed CCC-941 are AGI eligible for 180 days from the producer certification date while waiting on the IRS determination or State Office/SED determination.

Producers will be determined AGI ineligible for programs that are mandated under the 2014 Farm Bill when the producer has filed CCC-941, and has not received an IRS determination or State Office/SED determination within 180 days of their certification date. If the producer previously received payments for programs mandated under the 2014 Farm Bill, the producer’s payment will automatically be displayed on the Pending Overpayment Report after 180 days. If a payment is attempted for the producer, the producer’s payment will be displayed on the Non Payment Report

County Offices are responsible for performing the following steps when a producer provides the CCC-941 to ensure a timely AGI determination:

| Step | Action |
|------|--|
| 1 | Ensure the customer name and tax ID are legible and match how the customer files taxes. |
| 2 | <p>Ensure the customer name and tax ID in Business Partner match the CCC-941.</p> <p>Reminder: The TIN verification process through MIDAS/Business Partner is separate from the AGI compliance verification process.</p> <p>Generate reports from Business Partner to identify customers where the IRS Tax ID verification response returned an error. Business Partner also identifies whether the customer record is the “paying entity” (DPE Flag). Utilize Business Partner to assist in determining what actions should be taken to resolve records of AGI mismatches or failed verifications.</p> |
| 3 | Ensure the AGI 2014 Farm Bill producer certification in Subsidiary is updated as described in subparagraph G prior to mailing the CCC-941 to IRS. |
| 4 | Ensure the AGI 2014 Farm Bill producer certification date is entered accurately in Subsidiary with the date the producer signed CCC-941. |
| 5 | Mail the CCC-941 and IRS-3210 to IRS. (See 5-PL for additional information.) |

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26 AGI - 2014 Farm Bill Determination Information (Continued)

*--J Steps for Timely AGI Determination (Continued)

| Step | Action |
|------|--|
| 6 | <p>Review the “County Eligibility Reports” available under the Subsidiary Reports tab weekly to determine if a producer has filed CCC-941 and has not received an IRS determination or State Office/SED determination for all years applicable to the AGI 2014 Farm Bill.</p> <p>See Paragraph 305 for additional information on running County Eligibility Reports.</p> <p>Select the following options in the County Eligibility Report to determine if a producer has filed CCC-941 and an IRS determination or State Office/SED determination has not been recieved:</p> <ul style="list-style-type: none"> • under \$900,000 Total Income Producer Certification, CLICK “Filed CCC-941” • under IRS Verification/Determination, CLICK “Not Processed” • under State Office/SED Determination, CLICK “No Determination” • submit the report. <div data-bbox="370 1096 1297 1780" style="border: 1px solid black; padding: 5px;"> <p>Adjusted Gross Income - 2014 Farm Bill</p> <p>\$900,000 Total Income Producer Certification</p> <p><input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Filed CCC-941</p> <p><input type="checkbox"/> Exempt <input type="checkbox"/> Not Met-Producer</p> <p><input type="checkbox"/> Date Documentation Filed by Producer <input type="text"/> </p> <hr/> <p>IRS Verification/Determination</p> <p><input checked="" type="checkbox"/> Not Processed <input type="checkbox"/> Compliant-Producer</p> <p><input type="checkbox"/> Compliant - Less Than 3 Years <input type="checkbox"/> Not Compliant</p> <p><input type="checkbox"/> Failed Verification</p> <p><input type="checkbox"/> Date Processed by IRS <input type="text"/> </p> <hr/> <p>State Office/SED Determination</p> <p><input checked="" type="checkbox"/> No Determination <input type="checkbox"/> Compliant-Review</p> <p><input type="checkbox"/> Mismatch Verified <input type="checkbox"/> Not Compliant-Review</p> <p><input type="checkbox"/> SED Determination Date <input type="text"/> </p> </div> |

--*

26 AGI - 2014 Farm Bill Determination Information (Continued)

*--J Steps for Timely AGI Determination (Continued)

| Step | Action |
|------|--|
| 7 | <p>Review the “IRS Mismatch Report” available under the Subsidiary Reports tab weekly to determine if IRS has sent data back to the Subsidiary System and the producer’s name and/or Tax ID did not match the information received from IRS. See paragraph 306 for additional information on identifying customers in the Subsidiary System that do not match data provided by IRS.</p> <p>Reminder: Users should also review the IRS mismatch report for producers without a state/county. If the Tax ID in Business Partner was incorrect then the mismatch report cannot find a state/county with which to tie the mismatch.</p> |
| 8 | <p>If the producer is on the IRS Mismatch Report, an authorized State Office user shall update the State Office/SED determination to “Mismatch Verified” if the producer is compliant or compliant-producer on the report as described in subparagraph H.</p> |
| 9 | <p>If the above steps have been completed and the producer does not receive an IRS determination and is not on the IRS mismatch report after 2 months from mailing the form, resend the CCC-941 and IRS-3210 to IRS and write in red, “Sent to IRS on <i>MM/DD/YYYY</i>, IRS received on <i>MM/DD/YYYY</i> – IRS did not provide determination”.</p> <p>County Offices shall make 3 attempts to mail the CCC-941 and IRS-3210 to IRS to receive a determination.</p> |

--*

26 AGI - 2014 Farm Bill Determination Information (Continued)

J Steps for Timely AGI Determination (Continued)

| Step | Action |
|------|--|
| 10 | <p>When a producer’s CCC-941 will not successfully pass IRS verification and the producer is not on the IRS mismatch report after 3 attempts to mail the CCC-941 to the IRS, the State Office shall complete and document all of the following:</p> <ul style="list-style-type: none"> • obtain documentation from the COF that at least 3 attempts were made to send the producer’s AGI certification to the IRS. • obtain verification from county office or other state office personnel that all actions in Steps 1 through 9 have been completed. • review Eligibility AGI 2014 Farm Bill IRS determinations in the subsidiary system for at least 2 of the 3 program years immediately preceding the program year in question. • capture a screenshot of the review and document the AGI 2014 Farm Bill State Office/SED determination. • if producer is determined AGI compliant based on the review, update the producer as “Mismatch Verified” according to instructions in subparagraph H • provide the documented screenshot to the county office to include in the producer’s eligibility file for the applicable program year. <p>Note: The screenshot must include payment eligibility records for the 3 previous program years used as the basis for the determination for the person or legal entity.</p> <p>If the State Office is unsure of the producer’s AGI compliance following a review of the producer’s AGI compliance history:</p> <ul style="list-style-type: none"> • an AGI compliance review shall be timely completed by the State Office for the person or legal entity for the applicable program year. • record the AGI compliance determination for the person or legal entity in the subsidiary file for the applicable program year. |

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31 Conservation Compliance Determination Information

A Introduction

Data in the Subsidiary Eligibility Screen, “Conservation Compliance” section is used to determine producer eligibility based on compliance with HELC and WC provisions. The “Conservation Compliance” section includes information from farm and tract files to determine eligibility for HEL and wetland determinations provided by NRCS. Data for each type of violation is summarized into 1 overall eligibility determination for conservation compliance.

See 6-CP, Part 5 for additional information on HELC and WC provisions.

B Example of Subsidiary Eligibility Screen, “Conservation Compliance” Section

Following is an example of the “Conservation Compliance” section.

| | |
|---|---|
| Conservation Compliance | |
| Highly Erodible Land Conservation | |
| <input type="radio"/> No HEL | <input type="radio"/> Compliant |
| <input type="radio"/> Not Compliant | <input type="radio"/> Pending Determination |
| <input type="radio"/> Landlord/Tenant Exemption | <input type="radio"/> Good Faith |
| <input type="radio"/> Appeal Rights Exhausted | <input checked="" type="radio"/> No Association |
| Planted Converted Wetland | |
| <input type="radio"/> Compliant | <input type="radio"/> Not Compliant |
| <input type="radio"/> Good Faith | <input checked="" type="radio"/> No Association |
| Converted Wetland | |
| <input type="radio"/> Compliant | <input type="radio"/> Not Compliant |
| <input type="radio"/> Good Faith | <input type="radio"/> Restored Wetland |
| <input type="radio"/> Appeal Rights Exhausted | <input checked="" type="radio"/> No Association |
| Farm/Tract Eligibility | |
| <input type="radio"/> In Compliance | <input type="radio"/> Partial Compliance |
| <input type="radio"/> In Violation | <input checked="" type="radio"/> No Association |
| <input type="radio"/> Past Violation | <input type="radio"/> Reinstated |
| Year of Violation | <input type="text"/> |
| State and County Where Violation Occurred | <input type="text"/> |

31 Conservation Compliance Determination Information (Continued)**C Uploading Farm and Tract Data**

Conservation compliance eligibility is automatically updated in the Eligibility System based on data recorded in MIDAS and FRS for HEL, PCW, and CW.

To determine nationwide eligibility with HEL, PCW, and CW provisions, a process has been developed to upload farm and tract data from MIDAS FRS to the Eligibility System. Changes to farm and tract data are uploaded within 15 minutes.--*

D Summarizing HELC Eligibility From FRS

The “HELC” subsection in the eligibility record reflects the producer’s overall status for HEL compliance for all farms and tracts associated with the producer nationwide. HELC data is automatically determined and updated to the Eligibility System file based on the producer exceptions recorded for a farm that contains HEL, but a conservation system is **not** being applied.

If the data in the Eligibility System is **not** summarized correctly, County Offices:

- shall ensure that the data in the MIDAS and FRS applications for the producer is updated properly
- do **not** have the ability to override the summarized eligibility data.

35 Foreign Person Determination Information (Continued)

D Fields Applicable to Foreign Person Determinations

The following provides the fields applicable to foreign person determinations.

| Option | Explanation |
|------------------|---|
| "Yes" | Foreign person provisions are applicable and the producer has filed the required documentation. Based on the documentation filed the COC has determined that the producer meets the foreign person provisions by providing land, capital, and active personal labor. |
| "No" | Foreign person provisions are applicable and the COC has determined the producer does not meet the foreign person provisions because the producer is not providing land, capital, and active personal labor. |
| "Pending" | <p>Foreign person provisions are applicable; however, the COC has not made a foreign person determination for either of the following reasons:</p> <ul style="list-style-type: none"> • Producer has not filed the documentation necessary for a foreign person determination • Producer has filed the required documentation; however, COC has not completed their determination. |
| "Not Applicable" | Foreign person provisions are not applicable. |

Users will be allowed to change foreign person COC determinations to any value for all years. Web-based eligibility **must** be set to accurately reflect COC determinations for foreign person.

E Error Messages

Users are required to select 1 of the displayed options as the COC determination. The COC determination" will initially be set as a default value and users **cannot** de-select options without selecting another option. Because an option is always selected, there are **no** error messages applicable to the foreign person determination information.

36 Fraud - including FCIC Fraud Determination

A Introduction

--The “Fraud - including FCIC Fraud” section available through subsidiary year 2016 is-- used to record action taken because of a producer or group of producers being disqualified or debarred from participating in FSA- and/or RMA-administered programs.

B Example of Subsidiary Eligibility Screen, “Fraud - Including FCIC Fraud” Section

Following is an example of the “Fraud - including FCIC Fraud” section.

C Process

The process for updating fraud determinations is handled by PECD in the National Office. PECD receives a memorandum from ALS about participation eligibility. PECD enters the determination information into the web-based system along with:

- year of disqualification
- number of years that the producer is ineligible for benefits.

Note: The number of years a producer is determined ineligible is based on the information received from ALS and can be for 1 or more years.

Disqualification and ineligibility information is **not** updated by PECD until ALS notification is received. Once received from ALS, PECD notifies the applicable State Office. State Offices shall notify affected County Offices.

Note: There may be instances where PECD will notify certain State Offices referenced in documentation received from ALS about ineligible producers even though the producers may **not** be linked in Business Partner to a county in that State.

41 SDA Farmer or Rancher (Continued)

B Example of the Subsidiary Eligibility Screen, “Socially Disadvantaged Farmer or Rancher” Section

Following is an example of the “Socially Disadvantaged Farmer or Rancher” section.

| Socially Disadvantaged Farmer or Rancher | |
|---|---|
| Includes Racial, Ethnic and Gender | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Includes Racial and Ethnic but NOT Gender | <input type="radio"/> Yes <input checked="" type="radio"/> No |

41 SDA Farmer or Rancher (Continued)

C Fields Applicable to SDA Farmer or Rancher

The following provides fields applicable to a SDA farmer or rancher.

| Field | Option | Explanation |
|---|--------|---|
| "Includes Racial, Ethnic and Gender" | "Yes" | Producer has certified compliance with SDA farmer or rancher provisions as defined under the Consolidated Farm and Rural Development Act of 2003 (includes racial, ethnic, and gender). Note: For businesses with an employer ID number, this option *--shall only be selected when the majority interest of all--* members have certified compliance with the SDA farmer or rancher. Eligibility records for the members are not required to be updated unless the member has an individual interest. |
| | "No" | Producer has not certified compliance with SDA farmer or rancher provisions as defined under the Consolidated Farm and Rural Development Act of 2003 (includes racial, ethnic, and gender). |
| "Includes Racial and Ethnic but NOT Gender" | "Yes" | Producer has certified compliance with SDA farmer or rancher provisions as defined under the Food, Agriculture, Conservation, and Trade Act of 1990 (includes racial and ethnic, but not gender). Note: For businesses with an employer ID number, this option *--shall only be selected when the majority interest of all--* members have certified compliance with the SDA farmer or rancher. Eligibility records for the members are not required to be updated unless the member has an individual interest. |
| | "No" | Producer has not certified compliance with SDA farmer or rancher provisions as defined under the Food, Agriculture, Conservation, and Trade Act of 1990 (includes racial and ethnic, but not gender). |

41 SDA Farmer or Rancher (Continued)

D New Producer Default Value

When a new producer or a new eligibility record is created, the system will use the default value to establish the record. “No” is the default value for a SDA farmer or rancher. As soon as the producer’s certification is received, the value **must** be updated. After the record is created, updates can be made at any time.

42 Eligibility Determinations After Business Partner Merge

A Background

When a merge occurs in the Business Partner system, the majority of the Eligibility Determinations may no longer be valid.

If the Eligibility Determination is different between the winning and losing customers in the merge, the determination may be reset to the default value.

County Offices are responsible for reviewing the documentation on file for the customer and updating the Eligibility Determinations after a merge occurs in Business Partner.

B Eligibility Determination Table

The following table provides a list of the Eligibility Determinations and what will occur when customers are merged in Business Partner.

| Eligibility Determination | Field | IF the customer’s records do not match, then eligibility is... | IF the customer’s records match, then eligibility is... |
|-----------------------------------|--------------------------------------|---|--|
| Actively Engaged | COC Determination | Not Filed - if the producer is not an Indian Tribal Venture. | The same value from the merged records. |
| | | Exempt – if the producer is an Indian Tribal Venture. | |
| | Date Documentation Filed by Producer | Blank. | |
| | COC Determination Date | Blank. | |
| Actively Engaged – 2002 Farm Bill | COC Determination | Not Filed. | the same value from the merged records. |
| | Date Documentation Filed by Producer | Blank. | |
| | COC Determination Date | Blank. | |

42 Eligibility Determinations After Business Partner Merge (Continued)

B Eligibility Determination Table (Continued)

| Eligibility Determination | Field | IF the customer's records do not match, then eligibility is... | IF the customer's records match, then eligibility is... |
|---|--|--|---|
| AD-1026 | Certification | Not Filed. | the same value from the merged records. |
| | Referred to NRCS | No. | |
| | Date AD-1026 Referred to NRCS | Blank. | |
| | Date Continuous Certification/Authorization Signed by Producer | Blank. | |
| | First Time Producer Filing AD-1026 | Blank. | |
| | Date First Time Producer Filing AD-1026 | Blank. | |
| Adjusted Gross Income – 2002 Farm Bill | Certification/COC Determination | Not Filed – if the producer is not an Exempt business type. | the same value from the merged records. |
| | | Exempt – if the producer is an Exempt business type. | |
| | Date Documentation Filed by Producer | Blank. | |
| | COC Disapproval Date | Blank. | |
| Adjusted Gross Income - 2008 Farm Bill – Conservation Program | Determination | Not Filed – if the producer is not an Exempt business type. | the same value from the merged records. |
| | | Exempt – if the producer is an Exempt business type. | |
| | SED Determination | Blank. | |
| | Date of SED Determination | Blank. | |
| | Date Documentation Filed by Producer | Blank. | |
| | COC Disapproval Date | Blank. | |

42 Eligibility Determinations After Business Partner Merge (Continued)

B Eligibility Determination Table (Continued)

| Eligibility Determination | Field | IF the customer's records do not match, then eligibility is... | IF the customer's records match, then eligibility is... |
|--|--|---|--|
| Adjusted Gross Income – 2014 Farm Bill | Producer Certification | Winning Producer's Producer Certification. | the same value from the merged records. |
| | Date Documentation Filed by Producer | Winning Producer's Date Documentation Filed by Producer. | |
| | IRS Verification | Winning Producer's IRS Verification. | |
| | Date Processed by IRS | Winning Producer's Date Processed by IRS. | |
| | State Office/SED Determination | Winning Producer's State Office/SED Determination. | |
| | SED Determination Date | Winning Producer's SED Determination Date. | |
| Beginning Farmer or Rancher | Certification/COC Determination | No. | the same value from the merged records. |
| | Month and Year Farmer or Rancher began Farming | Blank. | |
| Cash Rent Tenant | COC Determination | Awaiting Determination - if the producer is not an Indian Tribal Venture. | the same value from the merged records. |
| | | Exempt –if the producer is an Indian Tribal Venture. | |
| | Cropland Factor | 0.0000 - if Awaiting Determination. | |
| | | 1.0000 - if Exempt. | |

42 Eligibility Determinations After Business Partner Merge (Continued)

B Eligibility Determination Table (Continued)

| Eligibility Determination | Field | IF the customer's records do not match, then eligibility is... | IF the customer's records match, then eligibility is... |
|----------------------------------|--|--|--|
| Conservation Compliance | Highly Erodible Land Conservation | the summarized data from the farm records system for the customer. | the summarized data from the farm records system for the customer. |
| | Planted Converted Wetland Converted Wetland | | |
| | Farm/Tract Eligibility | the summarized data from: <ul style="list-style-type: none"> • HELC • PCW • CW. | the summarized data from: <ul style="list-style-type: none"> • HELC • PCW • CW. |
| | Year of Violation | blank or the year closest to the current year. | the same value from the merged records. |
| | State and County Where Violation Occurred | blank or the state and county with the lowest FIPS code. | |

42 Eligibility Determinations After Business Partner Merge (Continued)

B Eligibility Determination Table (Continued)

| Eligibility Determination | Field | IF the customer's records do not match, then eligibility is... | IF the customer's records match, then eligibility is... |
|----------------------------------|---|---|--|
| Controlled Substance | Notification of Determination | Action Required - Additional information must be entered regarding this violation. | the same value from the merged records. |
| | Number of Years of Ineligibility | Permanent. | |
| | Year of Conviction | one of the following: <ul style="list-style-type: none"> • if there is only one value present, set to that value • if there is more than one year present, set to the value with the lowest number. | |
| Delinquent Debt | COC Determination/Certification | Yes. | the same value from the merged records. |
| | Source of Delinquent Debt Determination | Other. | |
| | Additional Information | Blank. | |
| Federal Crop Insurance | Certification/COC Determination | Requirements Not Met | the same value from the merged records. |

42 Eligibility Determinations After Business Partner Merge (Continued)

B Eligibility Determination Table (Continued)

| Eligibility Determination | Field | IF the customer's records do not match, then eligibility is... | IF the customer's records match, then eligibility is... |
|------------------------------------|---------------------------------|---|---|
| Foreign Person | COC Determination | Not Applicable - if the citizenship country in business partner is: <ul style="list-style-type: none"> • United States • anything other than United States and resident alien is "Yes". | Not Applicable - if the citizenship country in business partner is: <ul style="list-style-type: none"> • United States • anything other than United States and resident alien is "Yes". |
| | | Pending - if the citizenship country in business partner is not United States and resident alien is "No" or "Unknown". | Pending - if the citizenship country in business partner is not United States and resident alien is "No" or "Unknown". |
| Limited Resource Farmer or Rancher | Certification/COC Determination | No. | the same value from the merged records. |
| NAP Non-Compliance | COC Determination | Not compliant – COC. | the same value from the merged records. |
| | Year of Violation | Set to the year with the lowest number. | |
| Permitted Entity – 2002 Farm Bill | COC Determination | Yes. | the same value from the merged records. |

42 Eligibility Determinations After Business Partner Merge (Continued)

B Eligibility Determination Table (Continued)

| Eligibility Determination | Field | IF the customer's records do not match, then eligibility is... | IF the customer's records match, then eligibility is... |
|--|---|---|--|
| Person Eligibility – 2002 Farm Bill | COC Determination | Not Filed. | the same value from the merged records. |
| | Date Documentation Filed by Producer | Blank. | |
| | COC Determination Date | Blank. | |
| Socially Disadvantaged Farmer or Rancher | Includes Racial, Ethnic and Gender certification | No. | the same value from the merged records. |
| | Includes Racial and Ethnic but NOT Gender certification | No. | |

43-70 (Reserved)

306 IRS Mismatch Report (Continued)

H Resolving Mismatched Customers

When a mismatched customer is resolved in the Subsidiary Eligibility web-based system, users have the ability to update the customer to “Resolved” on the IRS Mismatch Report.

Updating mismatched customers to “Resolved” can be used to reduce the number of customers returned on the IRS Mismatch Report.

To update mismatched customers to “Resolved”, perform the following steps.

| Step | Action |
|------|--|
| 1 | Select “Report Output Type”, “Display on Screen”. |
| 2 | Perform either of the following to display IRS Mismatch Search Results Screen SUBREP009: <ul style="list-style-type: none"> • steps described in subparagraph D to display the list of IRS mismatched customers based on date range • steps described in subparagraph E to display a specific IRS mismatched customer. |
| 3 | On IRS Mismatch Search Results Screen SUBREP009, click checkbox next to customers where the IRS mismatch has been resolved in the web-based Eligibility System. |
| 4 | CLICK “Update to Resolved”. |
| 5 | Selected customers will be updated to “Resolved”. |

***--Note:** Authorized State Office users are responsible for updating Eligibility AGI 2014 Farm Bill State Office/SED Determination according to paragraph 26 when a customer on the mismatch report is identified and resolved.--*

306 IRS Mismatch Report (Continued)

H Resolving Mismatched Customers (Continued)

If a customer is inadvertently updated to “Resolved” and should have remained “Unresolved”, perform the following steps.

| Step | Action |
|-------------|--|
| 1 | Select “Report Output Type”, “Display on Screen”. |
| 2 | Perform either of the following to display IRS Mismatch Search Results Screen SUBREP009: <ul style="list-style-type: none"> • steps described in subparagraph D to display the list of IRS mismatched customers based on date range • steps described in subparagraph E to display a specific IRS mismatched customer. |
| 3 | On IRS Mismatch Search Results Screen SUBREP009, click checkbox next to customers who should be reset back to “Unresolved”. |
| 4 | CLICK “Update to Unresolved”. |
| 5 | Selected customers will be updated to “Unresolved”. |

447 Leased Equipment From Another Producer Page (Continued)

C Interview Questions (Continued)

| Question/Field | Description |
|--|--|
| “Leased From Equipment Percentage” | <p>The percentage of the equipment that is leased from an individual or business that has an interest in the farming operation. An entry is not required, but if entered, the following validations apply:</p> <ul style="list-style-type: none"> • must be greater than 0 percent. • cannot be greater than 100 percent. • should be entered in a whole number with up to 2 decimal places. <p>Examples: 100.00%, 25.25%, etc.</p> |
| “Individual or Business Whom Equipment Is Leased From” | <p>Text field that allows the user to specify from whom the equipment is leased. Data is not required, but if entered, up to 1,000 characters are allowed.</p> <p>Note: If more than 1,000 characters are recorded, then the text will be truncated when the information is saved.</p> |
| “Enter any additional information about this equipment.” | <p>Text field that allows users to record comments about the leased equipment. Data is not required, but if entered, up to 1,000 characters are allowed.</p> <p>Note: If more than 1,000 characters are recorded, then the text will be truncated when the information is saved.</p> |

D Page Options

The following options are available on the Leased Equipment From Another Producer Page.

| Option | Action |
|-------------------|---|
| “Back” | Returns to the Equipment Contributions Page without saving any data entered. |
| “Save” | Allows the user to save the information recorded without continuing to the next applicable page. |
| “Save & Continue” | Saves the data recorded and returns to the Equipment Contributions Page in the interview process. |

447 Leased Equipment From Another Producer Page (Continued)

E Page Error Messages

The following error messages may be displayed on the Leased Equipment From Another Producer Page if the data recorded does **not** meet the applicable validations. Users **must** correct these conditions before proceeding to the next applicable page.

| Error Message | Description | Corrective Action |
|---|--|--|
| “Equipment contribution percentage cannot be greater than 100%.” | Equipment contribution percentage entered exceeds 100 percent. | Correct the percentage recorded to 100 percent or less. |
| “Equipment contribution percentage must be greater than 0%.” | Equipment contribution percentage entered is 0 percent. | Take 1 of following actions: <ul style="list-style-type: none"> • correct the percentage recorded to a value greater than 0 percent • leave the field blank if the producer does not want to provide the contribution percentage • go back to the Equipment Page and indicate owned equipment is not contributed or indicate the producer does not want to provide a response to the owned equipment question. |
| “Equipment contribution percentage must be numeric.” | Something other than a numeric value was entered. | Correct the value entered to a percentage. |
| “Contribution percentage is limited to 2 decimal places.” | Equipment contribution percentage entered is more than 2 decimal places. | Correct the percentage recorded to 2 or less decimal places. |

448 Leased Equipment To Another Producer Page (Continued)

C Interview Questions

This table describes the interview questions displayed on the Leased Equipment To Another Producer Page.

Note: If equipment is leased to multiple producers, County Offices have either of the following options:

- record 1 record with the total percentage, but each producer that equipment is being leased to should be specified in the “Individual or Business Whom Equipment Is Leased To” field
- record separate records with the percentage applicable to each producer.

| Question/Field | Description |
|--|---|
| “Leased To Equipment Percentage” | <p>The percentage of the equipment used by the farming operation that is also leased to another producer or producers. An entry is not required, but if entered, the following validations apply:</p> <ul style="list-style-type: none"> • must be greater than 0 percent. • cannot be greater than 100 percent. • should be entered in a whole number with up to 2 decimal places. <p>Examples: 100.00%, 25.25%, etc.</p> |
| “Individual or Business Whom Equipment Is Leased To” | <p>Text field that allows the user to specify to whom the equipment was leased. Data is not required, but if entered, up to 1,000 characters are allowed.</p> <p>Note: If more than 1,000 characters are recorded, then the text will be truncated when the information is saved.</p> |
| “Enter any additional information about this equipment.” | <p>Text field that allows users to record comments about the leased equipment. Data is not required, but if entered, up to 1,000 characters are allowed.</p> <p>Note: If more than 1,000 characters are recorded, then the text will be truncated when the information is saved.</p> |

448 Leased Equipment To Another Producer Page (Continued)

D Page Options

The following options are available on the Leased Equipment To Another Producer Page.

| Option | Action |
|-------------------|---|
| “Back” | Returns to the Equipment Contributions Page without saving any data entered. |
| “Save” | Allows the user to save the information recorded without continuing to the next applicable page. |
| “Save & Continue” | Saves the data recorded and returns to the Equipment Contributions Page in the interview process. |

E Page Error Messages

The following error messages may be displayed on the Leased Equipment From Another Producer Page if the data recorded does **not** meet the applicable validations. Users **must** correct these conditions before proceeding to the next applicable page.

| Error Message | Description | Corrective Action |
|---|--|--|
| “Equipment contribution percentage cannot be greater than 100%.” | Equipment contribution percentage entered exceeds 100 percent. | Correct the percentage recorded to 100 percent or less. |
| “Equipment contribution percentage must be greater than 0%.” | Equipment contribution percentage entered is 0 percent. | Take 1 of following actions: <ul style="list-style-type: none"> • correct the percentage recorded to a value greater than 0 percent • leave the field blank if the producer does not want to provide the contribution percentage • go back to the Equipment Page and indicate owned equipment is not contributed or indicate the producer does not want to provide a response to the owned equipment question. |
| “Equipment contribution percentage must be numeric.” | Something other than a numeric value was entered. | Correct the value entered to a percentage. |
| “Contribution percentage is limited to 2 decimal places.” | Equipment contribution percentage entered is more than 2 decimal places. | Correct the percentage recorded to 2 or less decimal places. |

535 (Member’s) Management Compensation Page (Continued)

E Page Error Messages

The following error messages may be displayed on the (Member’s) Management Compensation Page if the data recorded does **not** meet the applicable validations. Users **must** correct these conditions before proceeding to the next applicable page.

| Error Message | Description | Corrective Action |
|---|---|---|
| “Compensation must be greater than \$0.” | The user entered \$0 as the compensation received by the (member) from the (joint operation). | Take either of the following options: <ul style="list-style-type: none"> • enter an amount greater than \$0 • indicate the (member) is not receiving compensation for management duties performed. |
| “Compensation must be numeric.” | The user entered something other than a numeric value. | Enter the amount of compensation received by the (member) in whole dollars. |

F Validation Error Messages

The following error messages may be displayed during the validation process at the end of the interview based on the data recorded.

Reminder: The validation error messages are informational and intended to identify potential problematic conditions. The farm operating plan can be filed if the producer chooses **not** to answer the applicable question. See paragraph 502 for additional information.

| Error Message | Corrective Action |
|---|---|
| “Must specify whether the (member) is receiving compensation or a salary over and above their share in the (joint operation) for management contributions.” | Return to the (Member’s) Management Compensation Page and indicate whether the member is receiving compensation for management duties performed. If the member does not want to provide the information, select “No Response”. |
| “Amount of compensation must be entered for (member) if they are receiving a salary or bonus for management contributions.” | If the member: <ul style="list-style-type: none"> • is receiving compensation for management duties performed, the amount of compensation is required • does not want to provide the information, leave the field blank. |

536 (Member's) Labor and Management Expended Annually Page**A Introduction**

The *(Member's)* Labor and Management Expended Annually Page will be displayed after the user clicks "Continue" on the Select *(Member)* Page if all of the following conditions are met:

- the business is a joint operation
- the farm operating plan being updated is in FY 2016 or a subsequent year
- *--the *(member)* is an individual, including individuals who are members of other businesses in the joint operation to the lowest level of the farm operating plan
- one or more of the individuals *(members)* in the joint operation do not have a family relationship
- the *(member)* has active personal management and/or active personal labor.

This page allows users to record the *(Member's)*:

- management percentage or number of hours expended annually if the *(member)* has active personal management
- labor number of hours expended annually if the *(member)* has active personal labor.