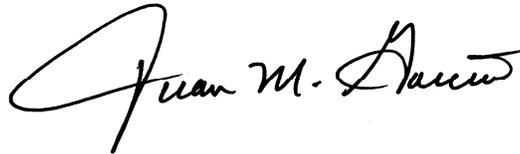


UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Payment Eligibility, Payment Limitation, and Average Adjusted Gross Income 4-PL	Amendment 10
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Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 3 J has been amended to update the legislative history of payment eligibility and payment limitation provisions.

Subparagraph 14 A has been amended to include that incentive payments are part of the \$50,000 annual payment limitation applicable to benefits received under CRP.

Subparagraph 31 B has been amended to clarify the deadline for filing CCC-901, CCC-902, CCC-926 and related forms for payment eligibility and payment limitation purposes.

Subparagraph 34:

- A has been amended to update the Intranet address for authorized users of the online forms and spreadsheet package
- B has been amended to include the automated CCC-902 for collecting information about a farming operation
- C has been amended to provide that the Producer Farm Data Report is to be used for collecting information on the land interests of a farming operation.

Subparagraph 41 C has been amended to clarify the exception applicable to the Custom Services provision when all the land is owned by the farming operation.

Subparagraphs 55 C and D have been amended to clarify when the substantive change rule applies to an existing operation and provide that the substantive change rules do not apply to spouses.

Subparagraphs 72 D, 73 C, and 74 C have been amended to remove repetitive language.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 78 D has been amended to remove the requirement for determining whether contributions are commensurate with claimed shares for each program since the actively engaged in farming provisions do not apply to all programs.

Subparagraph 130 B has been amended to provide an updated example of CCC-902I.

Paragraph 130.5 has been added to:

- provide guidance on the automated CCC-902 data entry process
- illustrate using the manual CCC-902I in comparison with collecting the same information through the Business File process for a farming operation
- provide the parts and features of a manual CCC-902I and automated CCC-902.

Subparagraph 131 B has been amended to provide an updated example of CCC-902I Short Form.

Paragraph 132 has been added to:

- provide guidance on the automated CCC-902
- illustrate using the manual CCC-902I Short Form in comparison with collecting the same information through the Business File process for a farming operation
- provide a comparison of the manual CCC-902I Short Form and the automated CCC-902.

Subparagraph 167 D has been amended to include the minimum information and documentation required for payment eligibility and payment limitation determinations for the receipt of program payments in the name of an IRA or Profit Sharing Plan.

Subparagraph 178 A has been amended to include that the inheritance provision also applies to an ownership interest in an entity received by inheritance if the entity was the owner of the land enrolled in an annual or multi-year program at the time of the shareholder's death.

Subparagraph 191 B has been amended to include references to the 2010 year for specific lines on IRS tax forms for the determination of AGI.

Subparagraph 192 A has been amended to clarify that compliance with both the \$500,000 average nonfarm AGI and the \$750,000 average farm AGI limitations are required for eligibility to receive DCP Direct Payments.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 195 C has been added to clarify the administrative responsibilities of FSA and NRCS for implementing certain program provisions common to both agencies.

Subparagraph 196 B has been amended to include reference to the Adjusted Gross Income (AGI) Limitation Waiver Request Worksheet required for the waiver of the AGI limitations applicable only to conservation programs.

Subparagraph 442 B has been amended to update the table for preparing summary CCC-902EYR.

Exhibit 14 has been added to include a copy of the Memorandum of Agreement between NRCS, FSA and CCC effective through September 30, 2012.

TC	Text	Exhibit
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3 Legislative History of Payment Eligibility and Payment Limitation Provisions (Continued)

I Disaster Assistance Act of 1988

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

*--J Pub. L. 101-217

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

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

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

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

K The Food, Agriculture, Conservation, and Trade Act of 1990

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

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

13 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, 2008.

B Applicability of 1-PL

Persons and entities with CRP-1's that are **not** subject to the provisions of this handbook are subject to the provisions of 1-PL.

14 Payment Limits and Rules

A Person or Legal Entity Payment Limitations

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

Program Payment Type	Limitation (in Dollars)			
	2009	2010	2011	2012
Commodity Programs				
Counter-cyclical and ACRE payments on covered commodities except peanuts.	65,000 <u>1/</u>			
Counter-cyclical and ACRE payments on peanuts.	65,000 <u>1/</u>			
Direct payments on covered commodities except peanuts.	40,000 <u>2/</u>			
Direct payments on peanuts.	40,000 <u>2/</u>			
Conservation Programs				
--CRP annual rental payment and incentive payment.--	50,000			
CSTP (all contracts for FY 2009-2012).	200,000			
ECP (per disaster)	200,000			
EQIP (all contracts for FY 2009-2012).	300,000			
GRP	50,000			
WHIP	50,000			
WRP	50,000			
Disaster Assistance Programs				
ELAP, LFP, LIP, and SURE	100,000			
NAP	100,000			
TAP	100,000			
Price Support Programs				
LDP, MAL, and MLG	No limits.			
Other Programs				
TAAF	10,000 <u>3/</u>			

- 1/ Under ACRE, this amount will be a combined limitation for counter-cyclical and ACRE payments. If a person or legal entity has a direct or indirect interest in payments earned on a farm participating in ACRE, this limitation will reflect an increase for the amount that the direct payments were reduced.
- 2/ If the person or legal entity has a direct or indirect interest in payments earned on a farm that is in ACRE, this limitation will reflect a 20 percent reduction in direct payments on each farm that is participating in ACRE.
- 3/ TAAF payments and counter-cyclical payments received by a person or legal entity for the same program or FY are limited to combined total of \$65,000 if counter-cyclical payments are received for covered commodities or peanuts; or a total of \$130,000 if counter-cyclical payments are received for both covered commodities and peanuts.

15-20 (Reserved)

Section 3 Producer Filing Requirements**31 Filing Requirements****A If 1 or More Producers Fail to File**

[7 CFR 1400.2 (e)] If 1 or more producers on a contract or application for benefits fail to file the applicable CCC-902, CCC-926, and related forms, the producers **not** filing the applicable forms will be ineligible to receive program benefits subject to eligibility and limitation applicable to that contract or application.

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

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

***--B Deadline for Filing CCC-901, CCC-902, CCC-926, and Related Forms**

CCC-901, CCC-902, CCC-926 and related forms may be filed at any time.

Encourage producers to file these forms:

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

31 Filing Requirements (Continued)

B Forms and Updates

For 2009, **all** participants in programs subject to the provisions of this handbook are required to submit a completed CCC-902, CCC-926, and CCC-901, if applicable, for payment eligibility and payment limitation purposes.

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

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

Producers have the responsibility to:

- ensure that all CCC-902's, CCC-926's, and related forms on file in the County Office are correct at all times
- timely notify the County Office of any changes in the farming operation that may affect the determinations of record by filing a new or updated CCC-902 or CCC-901, as applicable.

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

- shares of a contract, which **may** reflect:
 - a land lease from cash-rent to share-rent
 - a land lease from share-rent to cash-rent
- Note:** The producer would be subject to the cash-rent tenant rule.
- a modification of a variable/fixed bushel-rent arrangement
 - the size of the producer's farming operation by the addition or reduction of cropland that may affect the application of a cropland factor
 - the structure of the farming operation, including any change in the member's shares

33 FLP Participants

A Information Exchange

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

- submitted CCC-901
- new or updated CCC-902 and supporting documentation submitted
- the resultant CCC-903
- written notice of determination for payment eligibility and payment limitation purposes
- written notice of selection for end of year review for payment eligibility and payment limitation compliance purposes
- written notice of **any** determination that may adversely affect payment eligibility and payment limitation.

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

B Discrepancies

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

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

34 General Form Requirements

A Availability

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

- at the local County Office or Service Center
- online at * * * or <http://www.sc.egov.usda.gov>
- through the authorized use of FSA’s approved spreadsheet package available at [*--http://intranet.sc.egov.usda.gov/DAFP/Default.htm.--*](http://intranet.sc.egov.usda.gov/DAFP/Default.htm)

B CCC-901 and CCC-902 Requirements

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

IF the participating producer is...	THEN require...	Paragraph Reference
a person	<ul style="list-style-type: none"> • CCC-902I • CCC-902I Short Form •*--Automated CCC-902. 	130
a general partnership or joint venture	<ul style="list-style-type: none"> • CCC-901 • Automated CCC-902 • CCC-902E • CCC-902E Continuation. 	130.5
a corporation, LLC, LLP, LP, association, or any other similar legal entity		99
		130.5--*
		149
		158
a trust		167

C CCC-902 Continuation

CCC-902 Continuation may be used:

- as a continuation sheet for leased or owned land
- to update a previously filed CCC-902 according to paragraph 31
- with CCC-902E and CCC-902I.

*--**Note:** A copy of the Producer Farm Data Report (3-CM, paragraph 250) printed for the producer, may be used to record the land in the farming operation **only** with the addition of information on lease terms, rental rate, and whether the land interest was the same as previous year. Producer **must** sign and date the Producer Farm Data Report **after** the information is added.--*

Section 4 General Application Rules

41 Custom Services

A Definition of Custom Services

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

B Applicability

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

- make actively engaged in farming determinations according to Part 4
- the ability to meet the cash-rent tenant provisions may be adversely affected on land that is cash-rented in the farming operation.

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

*--C Exceptions

The Custom Services provision does not apply to farming operations in which all the--* land is owned.

* * *

42 Denial of Program Benefits

A Introduction

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

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

B Consequences of Scheme, Device, or Fraud Determination

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

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

55 Applying the Substantive Change Rule

C When Substantive Change Rule Applies

This table illustrates when a substantive change is **required**.

Substantive change rule only applies for...	if...
a new person beginning to farm as an individual or as a member of a joint operation	the person was part of a legal entity that farmed in the previous year and the individual will farm some of the same land the entity farmed in the previous year.
a new joint operation	some, but not all, of the members of the new joint operation farmed in the previous year.
an existing joint operation	*--1 or more new members of the existing joint operation--* did not farm in the previous year and there is an overall increase in the number of limits. Note: If there is no overall increase within the joint operation, substantive change is still required if any of the departing members continue to farm on the same land farmed by the joint operation in the previous year.
a new legal entity	1 or more members of the legal entity farmed in the previous year and the legal entity will farm some of the land farmed by its members in the previous year.

D When Substantive Change Rule Does Not Apply

This table illustrates when substantive change rule does **not** apply.

Substantive change rule does not apply for...	and...
the new person beginning to farm as an individual	the person was not part of any farming operation in the previous year.
a new joint operation	none of the members farmed or were associated with any farming operation in the previous year.
a new legal entity	none of the shareholders farmed or were associated with any farming operation in the previous year.
an existing legal entity	1 or more shareholders were added. Note: The legal entity remains restricted to 1 limitation regardless of the number of shareholders.
***	***

*--**Note:** The substantive change rule does not apply to spouses.--*

--56 Substantive Change Rule for Persons*A Example 1**

Situation: In the previous year, Corporation AB, comprised of Person A and Person B, each with an equal share, produced program crops and participated in program subject to payment limitation.

For the current year, Corporation AB and Person A will each operate part of the land that was in the previous year's farming operation of Corporation AB. Both Corporation AB and Person A will be participating on programs subject to payment limitation in the current year.

Determination: Substantive change will be **required** for the current year because:

- Person A represents an additional payment limitation as compared to the previous year
- Person A has an interest in Corporation AB that produced program crops and participated in programs subject to payment limitation in the previous year
- Person A will operate land that was part of the farming operation of Corporation AB in the previous year.

B Example 2

Same as in Example 1, except Person A, as an individual, will operate all of the land that was farmed by Corporation AB in the previous year. Person A will participate in programs subject to payment limitation. Corporation AB will no longer be farming and has dissolved.

Determination: Substantive change will not be required for the current year because:

- Person A does not represent an additional payment limitation as compared to the previous year
- Corporation AB is no longer farming in the current year.--*

* * *

72 Specific Rules for Capital (Continued)

D Borrowed Capital

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

<p>IF the farming operation is conducted by either of the following...</p>	<p>THEN borrowed capital must...</p>
<ul style="list-style-type: none"> • a person • a joint operation, *--in which the--* capital is contributed by a member of the joint operation rather than by the joint operation itself 	<ul style="list-style-type: none"> • be contributed directly to the farming operation by the applicable person or member • not have been acquired as a result of a loan made to, guaranteed by, co-signed by, or secured by any other person, legal entity, or joint operation: <ul style="list-style-type: none"> • that has an interest in the farming operation • in whose farming operation this person or joint operation has an interest.
<p>***</p> <ul style="list-style-type: none"> • a legal entity • a joint operation, *--in which the capital is contributed by the joint operation rather than by a member--* 	<ul style="list-style-type: none"> • be contributed directly to the farming operation by the legal entity or joint operation • not have been acquired as a result of a loan made to, guaranteed by, co-signed by, or secured by any person, legal entity, or joint operation: <ul style="list-style-type: none"> • that has an interest in the farming operation, except all members of the joint operation , or all shareholders of the legal entity, to which the loan is made • in whose farming operation this legal entity or joint operation has an interest. <p>Note: See example in subparagraph 139 C.</p>

73 **Specific Rules for Equipment**

A Introduction

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

B Leased Equipment

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

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

73 Specific Rules for Equipment (Continued)

C Financing Rules for Equipment

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

<p>IF the farming operation is conducted by either of the following...</p>	<p>THEN the equipment must...</p>
<ul style="list-style-type: none"> • a person •*--a joint operation, in which the equipment--* is contributed by a member of the joint operation rather than by the joint operation itself 	<ul style="list-style-type: none"> • be contributed directly to the farming operation by the applicable person or member • not have been acquired as a result of a loan made to, guaranteed by, co-signed by, or secured by any other person, legal entity, or joint operation: <ul style="list-style-type: none"> • that has an interest in the farming operation • in whose farming operation this person or joint operation has an interest.
<p>***</p> <ul style="list-style-type: none"> • a legal entity •*--a joint operation, in which the equipment is contributed by the joint operation rather than by a member--* 	<ul style="list-style-type: none"> • be contributed directly to the farming operation by the legal entity or joint operation • not have been acquired as a result of a loan made to, guaranteed by, co-signed by, or secured by any person, legal entity, or joint operation: <ul style="list-style-type: none"> • that has an interest in the farming operation, except members of the joint operation, or all the shareholders of the legal entity, to which the loan is made • in whose farming operation this legal entity or joint operation has an interest. <p>Note: See example in subparagraph 139 C.</p>

73 **Specific Rules for Equipment (Continued)**

D Effects of Borrowed Capital on Equipment Contribution

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

E Occasional Exchange of Equipment

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

74 **Specific Rules for Land**

A Introduction

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

B Leased Land

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

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

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

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

74 Specific Rules for Land (Continued)

C Financing Rules for Land

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

<p>IF the farming operation is conducted by either of the following...</p>	<p>THEN the land must...</p>
<ul style="list-style-type: none"> • a person •*--a joint operation, in which the land is-- contributed by a member of the joint operation rather than by the joint operation itself 	<ul style="list-style-type: none"> • be contributed directly to the farming operation by the applicable person or member • not have been acquired as a result of a loan (including land acquired by Contract of Deed, Deed of Trust, Land Contract, or other similar arrangement) made to, guaranteed by, co-signed by, or secured by any other person, legal entity, or joint operation: <ul style="list-style-type: none"> • that has an interest in the farming operation • in whose farming operation this person or joint operation has an interest.
<p>***</p> <ul style="list-style-type: none"> • a legal entity •*--a joint operation, in which the land is contributed by the joint operation rather than by a member--* 	<ul style="list-style-type: none"> • be contributed directly to the farming operation by the legal entity or joint operation • not have been acquired as a result of a loan (including land acquired by Contract of Deed, Deed of Trust, Land Contract, or other similar arrangement) made to, guaranteed by, co-signed by, or secured by any person, legal entity, or joint operation: <ul style="list-style-type: none"> • that has an interest in the farming operation, except members of the joint operation, or all the shareholders of the legal entity, to which the loan is made • in whose farming operation this legal entity or joint operation has an interest. <p>Note: See example in subparagraph 139 C.</p>

78 **Determining Commensurate Contributions**

A Introduction

Use the guidelines in this paragraph to determine whether contributions are commensurate with shares.

B General Rule

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

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

C Determining Contributions

Use the steps in this table to determine each person’s or legal entity’s contributions to a farming operation.

Step	Action
1	Determine the total amount of each farming input needed to conduct the farming operation.
2	Determine the type and amount of farming inputs provided by the person or legal entity that meet the requirements in paragraph 77.
3	Determine the percentage of each input required to conduct the farming operation provided by the person or legal entity.
4	<p>Does the person or legal entity provide the same percentage of all inputs required to conduct the farming operation?</p> <ul style="list-style-type: none"> • If yes, consider the person or legal entity as providing that percentage of the farming inputs required to conduct the farming operation. • If no, determine the value of the inputs provided by the person or legal entity relative to the total amount of farming inputs required to conduct the farming operation.
5	Determine whether the person’s or legal entity’s contributions to the farming operation are commensurate with the person’s or legal entity’s claimed share of the farming operation. See subparagraph D.

78 **Determining Commensurate Contributions (Continued)**

D Determining Commensurate Shares

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

*--

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

--*

***--130 Completing CCC-902I**

A Instructions for Completing CCC-902I--*

Complete CCC-902I according to this table.

Item	Instruction	
1	Enter name of the control county for the individual.	
2	Enter name of the State where this individual conducts their farming operation.	
3	Enter program/crop year for which the information for this farming operation is being provided. Go to Part A.	
Part A		
1	Enter name and address, including ZIP Code, of the individual. If the individual conducts business using an assumed name, include the assumed name. (Example: John Doe, dba John Doe Grain Farms.)	
2	Enter TIN of the individual. Go to Part B. Note: If complete TIN is on file, only the last 4 digits are required .	
Part B		
1	IF the individual in Part A is... a U.S. citizen not a U.S. citizen	THEN CHECK (✓)... "Yes" and go to item 4A. "No" and go to item 2.
2	an alien lawfully admitted to the U.S. and I-551 was presented not a U.S. citizen and I-551 was not presented	"Yes". "No".
FSA Only	FSA shall CHECK (✓) "Yes" or "No", indicating that I-551 was presented. Note: If the individual in Part A in not a U.S. citizen and I-551 was not presented, the individual will be considered a foreign person for payment eligibility and payment limitation purposes.	
4A	IF the individual in Part A was... *--18 years of age or older on June 1 younger than 18 year of age on June 1	THEN CHECK (✓)... "No" and go to item 7. "Yes" and go to item 4 B.
4B	If individual in Part A was younger than 18 years of age on June 1 of the--* program year, enter date of birth.	

*--130 Completing CCC-902I (Continued)

A Instructions for Completing CCC-902I (Continued)--*

Item	Instruction	
5	If individual in Part A was a minor, provide the following information about the individual's parent or legal guardian.	
A	Parent's or guardian's name.	
B	Parent's or guardian's address.	
C	Last 4 digits of the parent's or guardian's TIN. Note: If complete TIN is on file, only the last 4 digits are required .	
D	If individual in Part A is a minor, CHECK (✓) "Yes" or "No" to indicate whether the individual in Part A maintains a separate household from their parent or guardian.	
6 A through D	If individual in Part A is a minor, provide the following information about the parent or guardian's interest in farming operations: A parent's or guardian's name B name of parent's or guardian's farming interest C last 4 digits of the parent's or guardian's TIN Note: If complete TIN is on file, only the last 4 digits are required . D county/State where the farming interest is located.	
7	IF... neither the individual in Part A, the individual's spouse, or the individual's minor children have interest in a farming operation conducted under another name individual in Part A, the individual's spouse, or the individual's minor children have interest in a farming operation conducted under a name other than the name listed in Part A	THEN... CHECK (✓) "N/A" and go to Part C. provide the following information.
A	Name of the farming interest.	
B	Indicate if the interest is the individual, the individual's spouse or the individual's minor children.	
C	Last 4 digits of the parent's or guardian's TIN Note: If complete TIN is on file, only the last 4 digits are required .	
D	County/State where the farming interest is located; go to Part C.	

*--130 Completing CCC-902I (Continued)

A Instructions for Completing CCC-902I (Continued)--*

Item	Instruction	
Individual's Name	Enter name of the individual in Part A at the top of the page.	
Part C		
1	Enter the following information for all land that is operated by the individual in Part A.	
A	Farm number.	
B	State, and county where located.	
C	CHECK (✓) applicable box to show whether land is owned, leased to someone, or leased from someone.	
D	Name of the individual, entity, or joint operation to whom or from whom the land is leased.	
E	Acres owned or rented on the farm.	
F	<p>*--If the land is:</p> <ul style="list-style-type: none"> • share leased, enter the percentage that represents the share of the individual identified in Part A. • cash leased, enter: <ul style="list-style-type: none"> • “cash” if the land is cash leased from an unrelated individual or entity • the rental rate in \$ per acre if the land is cash leased from an individual or entity that has an interest in the crop or crop proceeds.--* 	
G	CHECK (✓) box if same land interest was held last year.	
Part D		
If individual in Part A owns all of the land in this farming operation as listed in Part C, then proceed directly to Part I.		
1	CHECK (✓) all sources of capital for the individual in Part A that apply. If “Other” is checked (✓), specify.	
2	<p>IF individual in Part A...</p> <p>acquired any contributions of capital, equipment, or land through loans or credit arrangement</p> <p>did not acquire any contributions of capital, equipment, or land through loans or credit arrangement</p>	<p>THEN CHECK (✓)...</p> <p>“Yes” and go to item 3.</p> <p>“No” and go to Part E.</p>
3	used loans or credit to finance this farming operation, or to acquire/purchase land or equipment, and such financing was acquired from, guaranteed by, co-signed by, or secured by an individual, joint operation, or entity with an interest in the farming operation	“Yes” and complete items 3A through 3E.
4	used loans or credit to finance this farming operation, or to acquire/purchase land or equipment, and such financing was not acquired from, guaranteed by, co-signed by, or secured by any other individual, joint operation, or entity	“No” and go to Part E.

*--130 Completing CCC-902I (Continued)

A Instructions for Completing CCC-902I (Continued)--*

Item	Instruction							
Part E	All percentages are based on annual rental values.							
1	Enter percent of all equipment used in this farming operation that is owned by the individual in Part A. If no equipment used in this farming operation is owned by the entity or joint operation in Part A, enter “0%”.							
2A through 2C	Enter information for all equipment used in the farming operation that is leased by the individual in Part A. For each type of equipment leased, enter the following: A percent of total equipment used in the farming operation B name of the party or entity from whom equipment is leased C type of equipment leased. If leased equipment is not used in this farming operation, enter “0%” and go to Part F.							
2D	If individual in Part A leased equipment, indicate whether the equipment was leased from an individual or entity that has an interest in the farming operation of the joint operation or entity in Part A.							
3	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="475 1285 1161 1066" style="width: 70%;">IF the equipment was...</th> <th data-bbox="1161 1285 1481 1066">THEN CHECK (✓)...</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 1066 1161 1171">leased from an individual or entity that has an interest in the farming operation of the joint operation or entity in Part A</td> <td data-bbox="1161 1066 1481 1171">“Yes” and go to item 3.</td> </tr> <tr> <td data-bbox="475 1171 1161 1285">not leased from an individual or entity that has an interest in the farming operation of the joint operation or entity in Part A</td> <td data-bbox="1161 1171 1481 1285">“No” and go to Part F.</td> </tr> </tbody> </table>		IF the equipment was...	THEN CHECK (✓)...	leased from an individual or entity that has an interest in the farming operation of the joint operation or entity in Part A	“ Yes ” and go to item 3.	not leased from an individual or entity that has an interest in the farming operation of the joint operation or entity in Part A	“ No ” and go to Part F.
IF the equipment was...	THEN CHECK (✓)...							
leased from an individual or entity that has an interest in the farming operation of the joint operation or entity in Part A	“ Yes ” and go to item 3.							
not leased from an individual or entity that has an interest in the farming operation of the joint operation or entity in Part A	“ No ” and go to Part F.							
3	If individual in Part A leased equipment from an individual or entity that has an interest in the farming operation of the individual in Part A, copies of lease agreements may be required for compliance purposes. Go to Part F.							

*--130 Completing CCC-902I (Continued)

A Instructions for Completing CCC-902I (Continued)--*

Item	Instruction	
Individual's Name	Enter name of the individual in Part A at the top of the page.	
Part F		
1	Using custom services by the individual in Part A does not apply: <ul style="list-style-type: none"> • to services for chemical and fertilizer application • to harvesting crops • if all the land in the farming operation is owned. 	
	IF custom farming services will... not be used in this operation	THEN CHECK (✓)... *-- "No" and go to Part G.
	be used in the farming operation	"Yes" and complete items 1A through 1D.--*
1A	Type of custom service, including but not limited to: tillage, planting, cultivating, chemical application, insect/pest scouting, etc.	
1B	Farm numbers the service will be applied.	
1C	Total number of acres for which custom services will be used.	
1D	Name of the custom farming service provider. Go to Part I.	
Part I		
1	Enter percentage or number of hours of active personal labor donated to the farming operation in Part A by family members or neighbors for which payment is not issued and is not owed.	
2A	IF... none of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part G any of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part G Note: Acceptable documentation of equipment lease and hired labor agreements may be required for compliance purposes.	THEN CHECK (✓)... "No" . "Yes" .
2B	none of the hired labor for the farming operation in Part A was included in the custom services shown in Part H any of the hired labor for the farming operation in Part A was included in the custom services shown in Part H Note: Acceptable documentation of equipment lease and hired labor agreements may be required for compliance purposes.	"No" . "Yes" .

*--130 Completing CCC-902I (Continued)

A Instructions for Completing CCC-902I (Continued)--*

Item	Instruction	
Individual's Name	Enter name of the individual in Part A at the top of the page.	
Part G		
1	Enter percentage or number of hours of active personal labor the individual in Part A will personally provide to the farming operation of the individual in Part A. If the individual in Part A will provide 1,000 hours or more, enter "1,000" hours.	
	IF...	THEN CHECK (✓)...
2A	none of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part E	"No".
	any of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part E Note: Acceptable documentation of equipment lease and hired labor agreements may be required for compliance purposes.	"Yes".
2B	none of the hired labor for the farming operation in Part A was included in the custom services shown in Part F	"No" and go to Part H.
	any of the hired labor for the farming operation in Part A was included in the custom services shown in Part F Note: Acceptable documentation of equipment lease and hired labor agreements may be required for compliance purposes.	"Yes" and go to Part H.

*--130 Completing CCC-902I (Continued)

A Instructions for Completing CCC-902I (Continued)--*

Item	Instruction
Part H	The total percentage shown in items 1A, 2A, and 3A must equal 100%.
1A	Enter estimated percent of active personal management the individual in Part A personally provides to the farming operation.
1B	Provide a brief description of the type of management duties the individual in Part A performs.
2A	Enter estimated percent of hired management used by the farming operation of the individual in Part A.
2B	Briefly describe the type of management duties someone else is hired to perform for the farming operation of the individual in Part A.
3A	Enter estimated percent of other management used by the farming operation of the individual in Part A.
3B	List any other person providing management without compensation for the farming operation of the individual in Part A. Briefly describe the management provided.
Part I	
1	The individual in Part A, or an authorized representative of the individual in Part A, shall sign the certification.
2	If individual in Part A signs the document, this field should be left blank. If an authorized representative for the individual in Part A signs this document, use this field to show the individual's representative capacity. (For example, "agent" or "attorney-in-fact.")
3	Enter date CCC-902I was signed.

--130 Completing CCC-902I (Continued)--

B Example CCC-902I

Following is an example of a completed CCC-902I.

*--

<p>CCC-902I (02-01-10)</p>		<p>U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p>		<p>1. County Coahoma</p>	<p>3. Program Year 2011</p>
<p>FARM OPERATING PLAN FOR AN INDIVIDUAL 2009 and Subsequent Program Years</p>					
<p>For "actively engaged in farming" and other payment eligibility and limitation determinations. <i>This form is to be completed by, or on behalf of, an individual who is seeking benefits from the Farm Service Agency (FSA) as an individual (and not as part of an entity) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the individual who receives program benefits directly using the social security number identified in Part A. This form also collects information about entities engaged in farming in which the individual has an interest. Such entities must complete a CCC-902E if they are requesting program benefits. Payment eligibility for the individual is based upon the contribution level of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the individual identified in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.</i></p>					
<p>PART A – BASIC INFORMATION</p>					
<p>1. Individual's Name and Address (Include Zip Code) Ima Farmer 437 Levee Lane Stephenville, MS 72222</p>				<p>2. Social Security Number (If the social security number or taxpayer ID number is on file, only the last 4 digits are required) 1X1X</p>	
<p>PART B - ADDITIONAL INFORMATION</p>					
<p>1. Is this individual a U.S. citizen? <input checked="" type="checkbox"/> YES. Go to Item 4A <input type="checkbox"/> NO. Go to Item 2</p>		<p>2. Is this individual an alien lawfully admitted into the U.S.? <input type="checkbox"/> YES, must present a Resident Alien Card (I-551). <input type="checkbox"/> NO</p>		<p>3. FOR COUNTY FSA USE ONLY (Was a Resident Alien Card, I-551 shown?) <input type="checkbox"/> YES <input type="checkbox"/> NO</p>	
<p>4A. Is this individual under 18 years of age as of June 1 of the program year that is specified in Item 3? <input checked="" type="checkbox"/> NO. Go to Item 7 <input type="checkbox"/> YES, continue with Item 4B</p>				<p>4B. Enter Date of Birth (MM-DD-YYYY)</p>	
<p>5. Enter the name, address, and social security number of parent or guardian:</p>					
<p>A. Parent's or Guardian's Name</p>		<p>B. Parent's or Guardian's Address</p>		<p>C. Social Security Number of Parent or Guardian (If the social security number or taxpayer ID number is on file, only the last 4 digits are required)</p>	
<p>D. Does this individual maintain a separate household from parent or guardian? <input type="checkbox"/> YES <input type="checkbox"/> NO</p>					
<p>6. List the direct and indirect interests in all farming operations of this individual's parents or guardians:</p>					
<p>A. Parent's or Guardian's Name</p>		<p>B. Name of Farming Interest</p>		<p>C. Tax ID Number of Farming Interest (If the social security number or taxpayer ID number is on file, only the last 4 digits are required)</p>	<p>D. County and State Where Farming Interest is Located</p>
<p>7. Other Farming Interests: Complete this item for all farming entities, including joint operations, in which the individual identified in Part A has an interest, and for any farming interests of a spouse or minor child. <input type="checkbox"/> N/A, Go to Part C.</p>					
<p>A. Other Farming Interests</p>		<p>B. Whose Farming Interest?</p>		<p>C. Tax ID Number of Farming Interest (If the social security number or taxpayer ID number is on file only the last four digits are required)</p>	<p>D. County and State Where Farming Interest is Located</p>
		<p>Self Spouse Minor Child</p>			

MINORS

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

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--130 Completing CCC-902I (Continued)--

B Example CCC-902I (Continued)

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CCC-902I (02-01-10) Name of Individual (as identified in Part A): Ima Farmer Page 2 of 4

INSTRUCTIONS FOR PARTS C THROUGH H. Only include information for the individual identified in Part A. Do not include information for any farming interests listed in Part B, Item 7.

PART C - LAND

1. **Land:** Enter the following information for ALL land farmed by the individual identified in Part A and not as part of an entity. *If land is cash leased from an individual or entity with an interest in the crop or crop proceeds, include the rental rate in \$/acre Column F; otherwise enter "cash."*

A. Farm No.	B. Location (County and State)	C. Check As Applicable			D. Name of Individual or Entity Whom Land is Leased to and/or From (Includes names of landowners and landlords)	E. Acres Owned or Leased	F. Rental Rate \$ per Acre or % of Crop Share	G. Check here if same land interest was held last year
		Owned	Leased To	Leased From				
1147	Coahoma, MS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		304.2		<input checked="" type="checkbox"/>
4213	Coahoma, MS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		166.2		<input checked="" type="checkbox"/>
3975	Coahoma, MS	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Farmer Trust	60.0	share	<input checked="" type="checkbox"/>
4212	Coahoma, MS	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Ima Farmer Sr.	33.0	cash	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>

For additional space for land, complete CCC-902 Continuation and attach to this form. Check here if attached.

PART D - CAPITAL SOURCES and USES

1. Indicate the source of all farming capital for the individual identified in Part A for the farms listed in Part C. (Check all that apply.)

Non-borrowed capital Private loans/credit FSA program payments
 Commercial loans/credit Other: _____

2. Will contributions of capital, farming equipment or land be acquired as a result of a loan or credit arrangement?

YES go to Item 3 NO go to Part E

3. Will such loan or credit be acquired from, guaranteed by, co-signed by, or secured by another individual or entity that has an interest in the farming operation identified in Part A? (Such interest may be as a landowner or another tenant.)

YES. Complete Items 3A through 3E NO. Go to Part E.

A. Type of Contribution	B. Name of Loan or Credit Source	C. Guarantor's Name	D. Credit Source or Guarantor's Affiliation or Interest in the Farming Operation	E. Percent of Total Capital
				%
				%

If all land listed in Part C is owned by the individual identified in Part A, then proceed directly to Part I.

PART E - EQUIPMENT (All percentages are based on annual rental values.)

1. **Owned Equipment:** Enter the percent of ALL equipment owned by the individual identified in Part A that will be used on the farms listed in Part C? If the individual specified in Part A does not own any of the equipment used in the farming operation, enter 0%. _____ 100%

2. **Leased Equipment:** Enter the following information for ALL leased equipment to be used by the individual identified in Part A on the farms listed in Part C. If leased equipment is not used in this farming operation, enter 0%.

A. Percent of Total Equipment Used by the Individual	B. Name of Party/Entity Equipment is Leased From	C. Type of Equipment Leased	D. Does the Party/Entity the equipment is leased from have an interest in this farming operation?	
%			<input type="checkbox"/> YES	<input type="checkbox"/> NO
%			<input type="checkbox"/> YES	<input type="checkbox"/> NO
%			<input type="checkbox"/> YES	<input type="checkbox"/> NO

3. **Lease agreements:** If Item 2D is "YES," copies of lease agreement and documentation may be required for compliance purposes. GO TO PART F.

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--130 Completing CCC-902I (Continued)--

B Example CCC-902I (Continued)

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CCC-902I (02-01-10) Name of Individual (as identified in Part A): <u>Ima Farmer</u>		Page 3 of 4
PART F - CUSTOM SERVICES		
1. Will custom services be utilized by the individual identified in Part A on the farms listed in Part C? <input checked="" type="checkbox"/> NO. Go to Part G <input type="checkbox"/> YES, complete Items 1A through 1D of this Part.		
A. Type of Services	B. Farm Number(s)	C. Number of Acres
D. Name of Provider		
PART G - LABOR		
For the farms listed in Part C, enter the information for contributions of active personal labor which will be provided by the individual identified in Part A, hired laborers; or by others:		
Type	Amount	
1. Active personal labor. Enter the percentage or hours to be provided by the individual identified in Part A. If the individual identified in Part A performs 1,000 or more hours of labor for this farming operation, enter "1,000" hours.	100	%
		hrs
2. Hired labor. Enter the percentage or hours of labor that will be hired.	0	%
		hrs
A. Will any of the hired labor originate from the same source as leased equipment shown in Part E? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>		
B. Will any of the hired labor be included in the custom farming services shown in Part F? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>If "YES", acceptable documentation to prove such relationship may be required for compliance purposes.</i>		
3. Other labor. Enter the percentage of labor to be donated by family members or others. <i>(No payment will be owed).</i>	0	%
PART H - MANAGEMENT (The total percentage shown in Items 1 through 3 must equal 100%)		
For the farms listed in Part C, enter the estimated percent of the individual's total management responsibility and the type of managerial duties required which will be provided by the individual identified in Part A, by hired persons or entities, or by others who are not hired.		
1. Active personal management: A. Enter the estimated percent of the active personal management to be provided by the individual identified in Part A: 100 % B. List the type of managerial duties/activities to be personally performed by the individual identified in Part A: Make all planting, harvesting, marketing, business and financial decisions.		
2. Hired management: A. Enter the estimated percent of hired management: 0 % B. Describe any paid management services provided by someone other than the individual identified in Part A:		
3. Other management: A. Enter the estimated percent of other management: 0 % B. Describe any non-compensated management duties/activities provided by someone other than the individual identified in Part A:		
PART I - CERTIFICATION		
I certify that all the information entered on this document and any supporting documentation is true and correct. I understand furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation. By signing this form, I acknowledge that:		
<ul style="list-style-type: none"> • all supporting documentation has been submitted as required. • I have read and understand all definitions and requirements on Page 4. • all information contained on this form will be considered in effect continuously unless changes or revisions are submitted. • it is my responsibility to timely notify FSA in writing of any changes in the farming, ranching or forestry operation, or financial status that may affect these representations. • evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and that I will take all necessary actions to provide such materials to FSA if requested. 		
1. Signature (By)	2. Title/Relationship of the Individual Signing in Representative Capacity	3. Date (MM-DD-YYYY)
		4/26/2011

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B Example CCC-902I (Continued)

CCC-902I (02-01-10)

Page 4 of 4

DEFINITIONS

The following definitions apply to Form CCC-902I.

1. **ACTIVELY ENGAGED IN FARMING** – means providing both: 1) significant contributions of capital, equipment, or land, or combination thereof to the farming operation; and 2) significant contributions of active personal labor or active personal management, or a combination thereof, to the farming operation as described. Further, for a person or legal entity to be considered actively engaged in farming for program payment purposes, the contributions of the person or legal entity must be at-risk and commensurate with the person's or legal entity's claimed share of the profit and loss of the farming operation. Failure to meet these requirements will result in the determination of ineligibility for payments under programs specified in 7 CFR Part 1400.
2. **INTEREST IN A FARMING OPERATION** – a person or legal entity is considered to have an interest in a particular farming operation if the person or legal entity owns or rents land to or from that farming operation; has an interest in the agricultural commodities produced on the operation; or is a member of a joint operation that either owns or rents land to or from the farming operation, or has an interest in the agricultural commodities produced on that operation.
3. **JOINT OPERATION** - is a general partnership, joint venture, or similar organization.
4. **PERSON** – is a natural person (an individual) and does not include a legal entity.
5. **ACTIVE PERSONAL LABOR** – a person is considered to be providing active personal labor with respect to a farming operation if that person is directly and personally providing physical activities necessary to conduct the farming operation, including land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities. Other qualifying physical activities include establishing and maintaining conserving covers and those physical activities necessary for livestock production for the farming operation.
6. **ACTIVE PERSONAL MANAGEMENT** – a person is considered to be providing active personal management with respect to a farming operation if that person is directly and personally providing the general supervision and direction of activities and labor involved in the farming operation; or providing services (whether performed on-site or off-site) reasonably related and necessary to the farming operation.
7. **CAPITAL** – with respect to a farming operation is the funding provided by a person or legal entity to the farming operation in order for such operation to conduct farming activities. To be considered a countable contribution for a person or legal entity, the capital must have been derived from a fund or account separate and distinct from that of any other person or entity involved in such operation. Countable capital does not include the value of any labor or management which is contributed to the farming operation. A capital contribution may be a direct non-borrowed (out-of-pocket) input of a specified sum or an amount borrowed by the person or entity. Capital does not include advance program payments.
8. **CONTRIBUTION** – with respect to a farming operation is the provision of land, capital or equipment assets, and providing active personal labor, or active personal management to the farming operation in exchange for, or the expectation of, deriving benefits based solely on the success of the farming operation.
9. **CUSTOM SERVICES** – with respect to a farming operation is the hiring of a contractor or vendor that is in the business of providing such specialized services to perform services for the farming operation in exchange for the payment of a fee for such services performed.
10. **ENTITY** - is a corporation, joint stock company, limited liability company, association, limited partnership, limited liability partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any such organization participating in the farming operation as a partner in a general partnership, participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.
11. **EQUIPMENT** – with respect to a farming operation is the machinery and implements needed to conduct activities of the farming operation including machinery and implements used for land preparation, planting, cultivating, harvesting or marketing crops. Equipment also includes machinery and implements needed to establish and maintain conserving covers.
12. **FAMILY MEMBER** – a person is considered to be a family member of another person in the farming operation of that person is related to the other as a lineal ancestor, lineal descendant, sibling, spouse, or otherwise by marriage.
13. **FARMING OPERATION** - is a business enterprise engaged in the production of agricultural products which is operated by a person or a formal or informal entity which is eligible to receive payments, directly or indirectly.
14. **LAND** – with a respect to a contribution to a farming operation is farmland consisting of cropland, pastureland, wetland, or rangeland which meets the specific requirements of the applicable program for which payments or benefits are sought.
15. **SUPPORTING DOCUMENTATION** – is any information that supports the relevant representations made such as, but not limited to: articles of incorporation; corporate meeting minutes; stock certificates; organizational papers; trust agreement; last will or testament or a deceased individual; affidavit of heirship approved by Office of General Counsel; partnership agreement; property lease agreement; purchase agreement; land deed; lending security agreement; and financial statement.
16. All other terms utilized in this form shall be defined pursuant to 7 CFR Part 1400.

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.*

*This information collection is exempted from the Paperwork Reduction Act, as is required for the administration of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F – Administration). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

*--130.5 Business File Equivalent of CCC-902I

A Business File Data Entry Process

For the automated CCC-902, load information about a producer’s farming operation in the web-based system according to 3-PL (Rev. 1), Part 10.

The following table illustrates the data entry process for the information on the manual CCC-902I example in subparagraph 130 B.

Web Page	Data Recorded in System
Contributions	<ul style="list-style-type: none"> • Capital – Yes • Land – Yes • Equipment – Yes • Labor – Yes • Management – Yes • Custom Services – No.
Land	<p>Recorded the following leases:</p> <ul style="list-style-type: none"> • FSN 3975 – tract 1376 share (75%) lease from owner (percentage of division not needed) • FSN 4212 – tract 1269 - cash lease from owner. <p>Note: Did not record lease on FSN 1147 and 4213. This producer is the owner and owner-operator on these farms and the example presumes there are no leases on these farms. But these leases are listed in the “owned” section of the automated form.</p>
Equipment	<ul style="list-style-type: none"> • Owned – Yes • Leased From – No • Leased To – No • Other – No.
Owned Equipment	<ul style="list-style-type: none"> • 100 percent • No additional information recorded.
Labor Types	<ul style="list-style-type: none"> • Active Personal – Yes • Hired – No • Other – No.
Labor Contributions	100 percent active personal management.
Management Types	<ul style="list-style-type: none"> • Active Personal – Yes • Hired – No • Other – No.
Management Contributions	<ul style="list-style-type: none"> • 100 percent active personal management • No duties performed were specified.

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*--130.5 Business File Equivalent of CCC-902I (Continued)

B Farming Operation Summary Page

Following is an example of a Business File farming operation summary.

Business File Menu		Farming Operation Summary							
Welcome: Imma Farmer User Role: FSA Select Different Customer Record New Farm Operating Plan Manage Customer Individual General Contributions Capital Land Custom Services Equipment Labor Management Summary Other Remarks Submit Plan Summary Validations Record Signatures View Data		CUSTOMER INFORMATION FARMING OPERATION: Imma Farmer BUSINESS TYPE: Individual							
		General Information U.S. citizen or resident alien? Yes Is 18 years of age or older? Yes							
		Capital Contributions Has capital contributions? Yes Capital contribution percentage from all sources: Sources of capital: • Non-borrowed capital • FSA program payments							
		Land Contributions Has land contributions? Yes							
		State	County	Farm No.	Tract No.	Owned	Leased To	Leased From	Leased To/From
		Mississippi	Coahoma	1147	5585	✓			
		Mississippi	Coahoma	3975	1376			✓	Farmer Trust
		Mississippi	Coahoma	4212	1269			✓	Ima Farmer Sr
		Mississippi	Coahoma	4213	1270	✓			
		Mississippi	Coahoma	4213	1271	✓			
		Mississippi	Coahoma	4213	1272	✓			
		Custom Services Utilizes custom services? No							
		Equipment Contributions Has equipment contributions? Yes Has owned equipment? Yes Has equipment leased from another producer? No Has equipment leased to another producer? No Has additional equipment? No							
		Type	Additional Info				% Contribution		
		Owned					100%		
		Total Inflows: 100%							
		Labor Contributions Has labor contributions? Yes Active personal labor? Yes Active personal labor contribution percentage: 100% Hired labor? No Additional labor? No							
		Management Contributions Has management contributions? Yes Active personal management? Yes Active personal management contribution percentage: 100% Type of active personal management duties: Make all planting, harvesting, marketing, and business and financial decisions. Hired management? No Additional management? No							

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*--130.5 Business File Equivalent of CCC-902I (Continued)

C Example of Automated CCC-902

Following is an example of the automated CCC-902.

CCC-902 (5-16-2011)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation				Date Submitted: 07/19/2011 Version Number: 8		Program Year 2011	
FARM OPERATING PLAN FOR PAYMENT ELIGIBILITY 2009 and Subsequent Program Years									
For "actively engaged in farming" and other payment eligibility and limitation determinations.									
This form is to be completed by, or on behalf of, the individual or legal entity identified in Part A that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the individual or legal entity that receives program benefits directly using the tax identification number identified in Part A. This form also collects information about the members of legal entities. Payment eligibility is based upon the contribution level of certain inputs to a farming operation such as land, capital, equipment, labor, and management. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.									
Part A - General Farming Operation Information									
Producer's Name IMA FARMER			Tax ID Number and ID Type (last 4 digits) XXXX S				Business Type Individual		
Part B - Capital Information Note: Do not include capital contributed by <i>members</i> of general partnerships or joint ventures. (applicable for all business types)									
Does the producer provide capital to this farming operation?								Yes	
What percent of capital is contributed by the producer to this farming operation from all sources?								%	
Indicate the source of all farming capital for the producer. (Check all that apply)									
<input checked="" type="checkbox"/> Non-borrowed capital			<input type="checkbox"/> Commercial loans/credit			<input type="checkbox"/> Other/Additional			
<input checked="" type="checkbox"/> FSA program payments			<input type="checkbox"/> Private Loans/credit						
Part C - Land Information (applicable for all business types)									
Does the producer contribute land to the farming operation?								Yes	
Does this farming operation own ANY land?								Yes	
State	Administrative County	Farm Serial Number	Tract Number	Farmland Acres	Cropland Acres	Farmland Acres Not Leased	Is any land leased to another producer?		
MS	Coahoma	1147	6686	320.0	304.2	320.0	No		
MS	Coahoma	4213	1270	59.0	49.2	59.0	No		
MS	Coahoma		1271	58.0	53.0	58.0	No		
MS	Coahoma		1272	78.0	64.0	78.0	No		
Does this farming operation lease land from another producer?								Yes	
State	Administrative County	Farm Serial Number	Tract Number	Name of Person Land is Leased From	Leased Acres	Type of Acres	Type of Lease	Crop Share	Interest in the Land is same as last year?
MS	Coahoma	3975	1376	FARMER TRUST	60.0	Cropland	Share		Yes
MS	Coahoma	4212	1269	IMA FARMER SR	33.0	Cropland	Cash		Yes
Does this farming operation lease land to another producer?								No	
Part D - Custom Services (applicable for all business types)									
Will custom services, such as harvesting, spraying, fertilization, tillage, seeding, etc., be utilized for this farming operation?								No	
Part E - Equipment Information Note: Do not include equipment contributed by <i>members</i> of general partnerships or joint ventures. (applicable for all business types)									
Does the producer provide equipment to this farming operation?								Yes	
What percent of the equipment does the producer contribute to this farming operation?								100 %	
Does the producer own any equipment contributed to this farming operation?								Yes	
What percentage of owned equipment does the producer contribute to this farming operation?								100 %	
Additional Information for Owned Equipment									
Does the producer lease any equipment contributed to this farming operation from another producer?								No	
Is any of the equipment contributed to this farming operation leased to another producer?								No	
Is there any additional equipment contributed to the farming operation?								No	
The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).									
To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.									

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*--130.5 Business File Equivalent of CCC-902I (Continued)

C Example of Automated CCC-902 (Continued)

CCC-902 (Page 2)		Date Submitted: 07/19/2011	Version Number: 8
Producer Name IMA FARMER			
Part F - Labor Information (applicable for all business types)			
Does the producer provide labor to this farming operation?			Yes
Does the producer contribute active personal labor to the farming operation?			Yes
What is the estimated percentage of active personal labor?			100 %
Is any of the labor contributed to the farming operation hired?			No
Is there any additional labor contributed to the farming operation?			No
Part G - Management Information (applicable for all business types)			
Does the producer provide management to this farming operation?			Yes
Does the producer contribute active personal management to the farming operation?			Yes
What is the estimated percent of active personal management contributed to the farming operation?			100 %
Types of Management Duties Performed Make all planting, harvesting, marketing, and business and financial decisions.			
Is any of the management contributed to the farming operation hired?			No
Is there any additional management duties/activities contributed to the farming operation?			No
Part H - Minor Information (only applicable for individuals)			
Will the producer be 18 years of age by June 1 of the current program year?			Yes
Part I - Citizenship Information (only applicable for individuals)			
Is the producer a United States citizen or an alien lawfully admitted into the United States?			Yes
Part J - Remarks			
Part K - Certification (applicable for individuals and entities)			
I certify that all the information entered on this document and any supporting documentation is true and correct. I understand furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency Committees of any changes in this farming operation. By signing this form, I acknowledge that:			
<ul style="list-style-type: none"> • all supporting documentation has been submitted as required • I have read and understand all definitions and requirements • all information contained on this form will be considered in effect continuously unless changes or revisions are submitted. • it is my responsibility to timely notify FSA in writing of any changes in the farming, ranching or forestry operation, or financial status that may affect these representations. • evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and that I will take all necessary actions to provide such materials to FSA if requested. 			
Signature of Producer (by)	Title/Relationship of the Individual Signing in Representative Capacity	Date (MM-DD-YYYY)	
<p><small>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Food Security Act of 1985 (Pub. L. 99-198 - as amended), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</small></p> <p><small>This information collection is exempted from the Paperwork Reduction Act, as is required for the administration of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.</small></p>			

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*--130.5 Business File Equivalent of CCC-902I (Continued)

D Comparison of Manual CCC-902I and Automated CCC-902

The following table compares the parts and features of the manual CCC-902I and automated CCC-902.

Item or Contribution	CCC-902I	Automated CCC-902	Explanation of Differences
Name, Address, TIN	Part A	Part A	CCC-902I - manual entries. Automated CCC-902 - SCIMS records.
Citizenship status	Part B	Part I	
Minor child status	Part B	Part H	
Other farming interests	Part B		CCC-902I - manual entries. Automated CCC-902 - this information will not be recorded in the collection process.
Land	Part C	Part C	CCC-902I - manual entries by farm number, cropland acres only. Automated CCC-902 - sourced from farm records; entries by farm number, tract number, cropland and farmland acres; percentage of division not needed for share leases.
Capital	Part D	Part B	Both forms - manual entries. Automated CCC-902 - entry for percentage of total contribution.
Equipment	Part E	Part E	Both forms - manual entries. Automated CCC-902 - entry about leasing to another producer.
Labor	Part G	Part F	Both forms - entries for percentage contribution. Automated CCC-902 - no entry for hours provided.
Management	Part H	Part G	Both forms - entries for percentage contribution.
Custom Services	Part F	Part D	Both forms - same or similar entries.
Certification	Part K	Part K	Both forms - same entries and requirements.

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***--131 Completing CCC-902I Short Form**

A Instructions for Completing CCC-902I Short Form--*

Complete CCC-902I Short Form according to this table.

Item	Instruction
1	Enter name of the county. If in more than 1 county, enter the name of the county that has been designated the control county.
2	Enter name of the State.
3	Enter crop year for which this certification applies.
Part A	
1	Enter name and address, including ZIP Code, of the individual. If the individual conducts business using an assumed name, include the assumed name. (Example: John Doe, dba John Doe Grain Farms)
2	Enter TIN of the individual.
Part B	
1	CHECK (✓) either of the following, as applicable: <ul style="list-style-type: none"> • “Yes”, if the individual in Part A is a U.S. citizen; go to item 4 • “No”, if the individual in Part A is not a U.S. citizen; go to item 2.
2	CHECK (✓): <ul style="list-style-type: none"> • “Yes”, if the individual in Part A is an alien lawfully admitted to the U.S.; the individual must present I-551 • “No”, if the individual in Part A is not a U.S. citizen and the individual did not present I-551.
3 County Only	County Office shall CHECK (✓) “ Yes ” or “ No ”, indicating that I-551 was presented.
4	CHECK (✓): <ul style="list-style-type: none"> •*--“No”, if the individual in Part A was 18 or older on June 1; go to item 5 • “Yes”, if the individual in Part A was younger than 18 on June 1; Stop.--* CCC-902I must be completed instead of CCC-902I Short Form.
5	CHECK (✓): <ul style="list-style-type: none"> • “No”, if the individual in Part A and any minor children of the individual in Part A have no other farming interests; go to Part C • “Yes”, if the individual in Part A and/or if any minor children of the individual in Part A have other farming interests in any joint operation or legal entities; Stop. CCC-902I must be completed instead of CCC-902I Short Form.

*--131 Completing CCC-902I Short Form (Continued)

A Instructions for Completing CCC-902I Short Form (Continued)--*

Item	Instruction
Part C	
1	<p>CHECK (✓):</p> <ul style="list-style-type: none"> • “No”, if the contributions of land, capital or equipment of the individual in Part A will be not acquired as the result of a loan or credit arrangement from an individual or entity with an interest in the farming operation; go to item 2. • “Yes”, if the contributions of land, capital, and equipment of the individual in Part A will be acquired as the result of a loan or credit arrangement from an individual or entity with an interest in the farming operation. <p>Stop. CCC-902I must be completed instead of CCC-902I Short Form.</p>
2	<p>Using custom services by the farming operation in Part A does not apply:</p> <ul style="list-style-type: none"> • to services for chemical and fertilizer application • to the harvesting of crops • if all the land in the farming operation is owned. <p>CHECK (✓):</p> <ul style="list-style-type: none"> • “No”, if custom services will not be used by the farming operation in Part A; go to item 3 • “Yes”, if custom services will be used by the farming operation in Part A. <p>Stop. CCC-902I must be completed instead of CCC-902I Short Form.</p>

***--131 Completing CCC-902I Short Form (Continued)**

A Instructions for Completing CCC-902I Short Form (Continued)--*

Item	Instruction
3	Enter the following information for all land that is operated by the individual in Part A.
A	Farm number.
B	State and county where located.
C	CHECK (✓) applicable box to show whether land is owned, leased to someone, or leased from someone.
D	Name of the individual, entity, or joint operation to whom or from whom the land is leased.
E	Acres owned or rented on the farm.
F	<p>*--If the land is:</p> <ul style="list-style-type: none"> • share leased, enter the percentage that represents the share of the individual identified in Part A. • cash leased, enter: <ul style="list-style-type: none"> • “cash” if the land is cash leased from an unrelated individual or entity • the rental rate in \$ per acre if the land is cash leased from an individual or entity that has an interest in the crop or crop proceeds.--*
G	<p>CHECK (✓) box if same land interest was held last year.</p> <p>If additional space is needed for land, complete and attach form CCC-902 Continuation</p>
4	CHECK (✓) all sources of capital for the individual in Part A that apply. If “Other” is checked (✓), specify.

*--131 Completing CCC-902I Short Form (Continued)

A Instructions for Completing CCC-902I Short Form (Continued)--*

Item	Instruction	
5 A and B	Of the total equipment to be used in the farming operation of the individual in Part A, enter the following for the individual in Part A: <ul style="list-style-type: none"> • percentage of the equipment that is owned in item A • percentage of the equipment that is leased in item B. 	
5C	If individual in Part A leased equipment, indicate whether the equipment was leased from an individual or entity that has an interest in the farming operation of the joint operation or entity in Part A.	
	IF the equipment was...	THEN CHECK (✓)...
	leased from an individual or entity that has an interest in the farming operation of the joint operation or entity in Part A	"Yes".
	not leased from an individual or entity that has an interest in the farming operation of the joint operation or entity	"No".
Part D		
1	Enter percentage or number of hours of active personal labor the individual in Part A personally provides to the farming operation.	
2	Enter percentage or number of hours of hired labor used in the farming operation of the individual in Part A.	
3	IF... none of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part E any of the hired labor for the farming operation in Part A originated from the source of leased equipment in Part E Note: Acceptable documentation of equipment lease and hired labor agreements may be required for compliance purposes.	THEN CHECK (✓)... "No". "Yes".
Part E		
The total percentage shown in items 1 and 2 must equal 100 percent.		
1	Enter estimated percent of active personal management the individual in Part A personally provides to the farming operation.	
2	Enter estimated percent of hired management to be used in the farming operation of the individual in Part A.	
Part F		
1	The individual in Part A, or an authorized representative of the individual in Part A, shall sign the certification.	
2	If individual in Part A signs the document, this field should be left blank. If an authorized representative for the individual in Part A signs CCC-902I Short Form, use this field to show the individual's representative capacity. (For example, "agent" or "attorney-in-fact.")	
3	Enter date CCC-902I Short Form was signed.	

--131 Completing CCC-902I Short Form (Continued)--

B Example CCC-902I Short Form

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This form is available electronically. (See Page 2 for Privacy Act Statement)

CCC-902I Short Form U.S. DEPARTMENT OF AGRICULTURE
(02-01-10) Commodity Credit Corporation

**FARM OPERATING PLAN FOR AN INDIVIDUAL
2009 and Subsequent Program Years**

1. County: Coahoma
2. State: Mississippi
3. Program Year: 2011

For "actively engaged in farming" and other payment eligibility and limitation determinations.
This form is to be completed by, or on behalf of, an individual who is seeking benefits from the Farm Service Agency (FSA) as an individual (and not as part of an entity or joint operation) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the individual who receives program benefits directly using the social security number identified in Part A. This form also collects information about entities engaged in farming in which the individual has an interest. Such entities must complete a CCC-902E if they are requesting program benefits. Payment eligibility for the individual is based upon the contribution level of certain inputs to a farming operation such as land, capital, equipment, labor, and management by the individual identified in Part A. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.

Part A - Producer Information

1. Individual's Name and Address (Include Zip Code)
Ima Farmer
437 Levee Lane
Stephenville, MS 72222

2. Social Security Number (If the social security number or taxpayer ID number is on file, only the last 4 digits are required)
1X1X

Part B - Additional Information

1. Is this individual a U.S. citizen?
 YES. Go to Item 4
 NO. Go to Item 2

2. Is this individual an alien lawfully admitted into the U.S.?
 YES, must present a Resident Alien Card (I-551).
 NO

3. (Was a Resident Alien Card, I-551 shown?)
 YES NO

Minors
4. Is this individual under 18 years of age as of June 1 of the program year that is specified in Item 3?
 NO. Go to Item 5 YES. Stop - Use CCC-902I

Other Farming Interests
5. Does this individual, individual's spouse or minor child have interests in other farming operations including joint operations and entities?
 NO. Go to Part C YES. Stop - Use CCC-902I

Part C - Land, Capital & Equipment (attach form CCC-902 Continuation for additional land interests)

1. Will the contributions of land, capital, or equipment for the farming operation identified in Part A be acquired as the result of a loan or credit arrangement from an individual or entity that has an interest in the farming operation identified in Part A?
 NO. Go to Item 2 YES. Stop - Use CCC-902I

2. Will custom services be utilized in the farming operation identified in Part A?
 NO. Go to Item 3 YES. Stop - Use CCC-902I

3. Enter the following information for ALL land farmed by the individual identified in Part A and not as part of an entity.
If land is cash leased from an individual or entity with an interest in the crop or crop proceeds, include the rental rate in \$/acre in Column F; otherwise enter "cash."

A. Farm No.	B. Location (County and State)	C. Check As Applicable			D. Name of Individual or Entity Whom Land is Leased to and/or From (Includes names of landowners and landlords)	E. Acres Owned or Leased	F. Rental Rate \$ per Acre/ % of Crop Share	G. Check here if same land interest was held last year
		Owned	Leased To	Leased From				
1147	Coahoma, MS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Farmer LLC	304.2	25%	<input checked="" type="checkbox"/>
4213	Coahoma, MS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Farmer Farms	49.2	cash	<input checked="" type="checkbox"/>
4213	Coahoma, MS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		117.0		<input checked="" type="checkbox"/>

4. **Capital** - Indicate the source(s) of farming capital for the farming operation identified in Part A. (Check all that apply.)
 Non-borrowed Commercial loans/credit Private loans/credit FSA program payments Other:

5. **Equipment** - Enter the percentages owned and/or leased to be used by the farming operation identified in Part A.
C. If leased, does the party/entity the equipment is leased from have an interest in the farming operation identified in Part A? YES NO

A. Owned	B. Leased
0%	0%

PART D - Labor

1. **Active personal labor.** Enter the percentage or hours to be provided by the individual identified in Part A: 0 % _____ hours

2. **Hired labor.** Enter the percentage or hours of labor that will be hired by the individual identified in Part A: 0 % _____ hours

3. Will any of the hired labor originate from the same source as the leased equipment in Part C YES NO.

PART E - Management

1. **Active personal management.** Enter the estimated percent of active personal management to be provided by the individual identified in Part A: 100%

2. **Hired management:** Enter the estimated percent of management hired by the individual identified in Part A: 0 %

PART F - Certification

I certify that all the information entered on this document and any supporting documentation is true and correct. I understand furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency committees for the county and State listed on this form of any changes in this farming operation.

1. Signature of Producer (By)
2. Title/Relationship if Signing as Representative
3. Date (MM-DD-YYYY)
4/26/2011

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 645-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

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--131 Completing CCC-902I Short Form (Continued)--

B Example CCC-902I Short Form

CCC-902I Short Form (02-01-10)

Page 2 of 2

DEFINITIONS

The following definitions apply to Form CCC-902I Short Form.

1. **ACTIVELY ENGAGED IN FARMING** – means providing both: 1) significant contributions of capital, equipment, or land, or combination thereof to the farming operation; and 2) significant contributions of active personal labor or active personal management, or a combination thereof, to the farming operation as described. Further, for a person or legal entity to be considered actively engaged in farming for program payment purposes, the contributions of the person or legal entity must be at-risk and commensurate with the person's or legal entity's claimed share of the profit and loss of the farming operation. Failure to meet these requirements will result in the determination of ineligibility for payments under programs specified in 7 CFR Part 1400.
2. **INTEREST IN A FARMING OPERATION** – a person or legal entity is considered to have an interest in a particular farming operation if the person or legal entity owns or rents land to or from that farming operation; has an interest in the agricultural commodities produced on the operation; or is a member of a joint operation that either owns or rents land to or from the farming operation, or has an interest in the agricultural commodities produced on that operation.
3. **JOINT OPERATION** - is a general partnership, joint venture, or similar organization.
4. **PERSON** – is a natural person (an individual) and does not include a legal entity.
5. **ACTIVE PERSONAL LABOR** – a person is considered to be providing active personal labor with respect to a farming operation if that person is directly and personally providing physical activities necessary to conduct the farming operation, including land preparation, planting, cultivating, harvesting, and marketing of agricultural commodities. Other qualifying physical activities include establishing and maintaining conserving covers and those physical activities necessary for livestock production for the farming operation.
6. **ACTIVE PERSONAL MANAGEMENT** – a person is considered to be providing active personal management with respect to a farming operation if that person is directly and personally providing the general supervision and direction of activities and labor involved in the farming operation; or providing services (whether performed on-site or off-site) reasonably related and necessary to the farming operation.
7. **CAPITAL** – with respect to a farming operation is the funding provided by a person or legal entity to the farming operation in order for such operation to conduct farming activities. To be considered a countable contribution for a person or legal entity, the capital must have been derived from a fund or account separate and distinct from that of any other person or entity involved in such operation. Countable capital does not include the value of any labor or management which is contributed to the farming operation. A capital contribution may be a direct non-borrowed (out-of-pocket) input of a specified sum or an amount borrowed by the person or entity. Capital does not include advance program payments.
8. **CONTRIBUTION** – with respect to a farming operation is the provision of land, capital or equipment assets, and providing active personal labor, or active personal management to the farming operation in exchange for, or the expectation of, deriving benefits based solely on the success of the farming operation.
9. **CUSTOM SERVICES** – with respect to a farming operation is the hiring of a contractor or vendor that is in the business of providing such specialized services to perform services for the farming operation in exchange for the payment of a fee for such services performed.
10. **ENTITY** - is a corporation, joint stock company, limited liability company, association, limited partnership, limited liability partnership, irrevocable trust, revocable trust, estate, charitable organization, or other similar organization including any such organization participating in the farming operation as a partner in a general partnership, participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar organization.
11. **EQUIPMENT** – with respect to a farming operation is the machinery and implements needed to conduct activities of the farming operation including machinery and implements used for land preparation, planting, cultivating, harvesting or marketing crops. Equipment also includes machinery and implements needed to establish and maintain conserving covers.
12. **FAMILY MEMBER** – a person is considered to be a family member of another person in the farming operation of that person is related to the other as a lineal ancestor, lineal descendant, sibling, spouse, or otherwise by marriage.
13. **FARMING OPERATION** - is a business enterprise engaged in the production of agricultural products which is operated by a person or a formal or informal entity which is eligible to receive payments, directly or indirectly.
14. **LAND** – with a respect to a contribution to a farming operation is farmland consisting of cropland, pastureland, wetland, or rangeland which meets the specific requirements of the applicable program for which payments or benefits are sought.
15. **SUPPORTING DOCUMENTATION** – is any information that supports the relevant representations made such as, but not limited to: articles of incorporation; corporate meeting minutes; stock certificates; organizational papers; trust agreement; last will or testament of a deceased individual; affidavit of heirship approved by Office of General Counsel; partnership agreement; property lease agreement; purchase agreement; land deed; lending security agreement; and financial statement.
16. All other terms utilized in this form shall be defined pursuant to 7 CFR Part 1400.

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.*

This information collection is exempted from the Paperwork Reduction Act, as is required for the administration of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F – Administration). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

*--132 Business File Equivalent of CCC-902I Short Form

A Business File Data Entry Process

For the automated CCC-902, load information about a producer’s farming operation in the web-based system according to instructions in 3-PL (Rev. 1) Part 10, Business File Web-based Application.

The following table illustrates the data entry process for the information contained on the manual CCC-902I Short Form shown in subparagraph 131 B.

Web Page	Data Recorded in System
Contributions	<ul style="list-style-type: none"> • Capital – Yes • Land – Yes • Equipment – No • Labor – No • Management – Yes • Custom Services – No.
Capital	Selected “Non-borrowed capital”.
Land	<p>Recorded the following leases:</p> <ul style="list-style-type: none"> • FSN 1147 – tract 6686 share (25 percent) lease to operator (percentage of division not needed for share leases) • FSN 4213 – tract 1270 - cash lease to other tenant. <p>Note: Did not record lease on FSN 4213 for tracts 1271 and 1272. This producer is the owner-operator on that farm and the example presumes there are no leases on those tracts. But they are listed in the owned section of the automated form.</p>
Management Types	<ul style="list-style-type: none"> • Active Personal – Yes • Hired – No • Other – No.
Management Contributions	<ul style="list-style-type: none"> • 100 percent active personal management • No duties performed were specified.

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*--132 Business File Equivalent of CCC-902I Short Form (Continued)

B Farming Operation Summary Page

Following is an example of a Business File farming operation summary.

Business File Menu Welcome: Bobbie Miller User Role: FSA <hr/> Select Different Customer Record New Farm Operating Plan Manage Customer <hr/> Individual General Contributions Capital Land Custom Services Equipment Labor Management Summary <hr/> Other Remarks <hr/> Submit Plan Summary Validations Record Signatures View 902	Farming Operation Summary							
	CUSTOMER INFORMATION							
	FARMING OPERATION:				Ima Farmer			
	BUSINESS TYPE:				Individual			
	General Information							
	U.S. citizen or resident alien? Yes							
	Is 18 years of age or older? Yes							
	Capital Contributions							
	Has capital contributions? Yes							
	Capital contribution percentage from all sources:							
	Sources of capital:							
	<ul style="list-style-type: none"> • Non-borrowed capital 							
	Land Contributions							
	Has land contributions? Yes							
	State	County	Farm No.	Tract No.	Owned	Leased To	Leased From	Leased To/From
Mississippi	Coahoma	1147	<u>6686</u>	✓	✓		Farmer LLC	
Mississippi	Coahoma	4213	<u>1270</u>	✓	✓		Farmer Farms	
Mississippi	Coahoma	4213	<u>1271</u>	✓				
Mississippi	Coahoma	4213	<u>1272</u>	✓				
Custom Services								
Utilizes custom services? No								
Equipment Contributions								
Has equipment contributions? No								
Labor Contributions								
Has labor contributions? No								
Management Contributions								
Has management contributions? Yes								
Active personal management? Yes								
Active personal management contribution percentage: 100%								
Type of active personal management duties:								
Hired management? No								
Additional management? No								

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*--132 Business File Equivalent of CCC-902I Short Form (Continued)

C Example of Automated CCC-902

Following is an example of the automated CCC-902.

Date Submitted:		Version Number: 9	
CCC-902 (5-16-2011)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
FARM OPERATING PLAN FOR PAYMENT ELIGIBILITY 2009 and Subsequent Program Years		Program Year 2011	
For "actively engaged in farming" and other payment eligibility and limitation determinations.			
This form is to be completed by, or on behalf of, the individual or legal entity identified in Part A that is seeking benefits from the Farm Service Agency (FSA) under one or more programs that are subject to the regulations at 7 CFR Part 1400. This form collects farming and other information about the individual or legal entity that receives program benefits directly using the tax identification number identified in Part A. This form also collects information about the members of legal entities. Payment eligibility is based upon the contribution level of certain inputs to a farming operation such as land, capital, equipment, labor, and management. The information on this form will be used by FSA to determine payment eligibility and limitation of payments by direct attribution.			
Part A - General Farming Operation Information			
Producer's Name		Tax ID Number and ID Type (last 4 digits)	Business Type
IMA FARMER		XXXX S	Individual
Note: Do not include capital contributed by members of general partnerships or joint ventures.			
Part B - Capital Information (applicable for all business types)			
Does the producer provide capital to this farming operation?			Yes
What percent of capital is contributed by the producer to this farming operation from all sources?			%
Indicate the source of all farming capital for the producer. (Check all that apply)			
<input checked="" type="checkbox"/> Non-borrowed capital		<input type="checkbox"/> Commercial loans/credit	<input type="checkbox"/> Other/Additional
<input type="checkbox"/> FSA program payments		<input type="checkbox"/> Private Loans/credit	
Part C - Land Information (applicable for all business types)			
Does the producer contribute land to the farming operation?			Yes
Does this farming operation own ANY land?			Yes
State	Administrative County	Farm Serial Number	Tract Number
Farmland Acres	Cropland Acres	Farmland Acres Not Leased	Is any land leased to another producer?
MS	Coahoma	1147	6686
320.0	304.2	15.8	Yes
MS	Coahoma	4213	1270
59.0	49.2	9.8	Yes
MS	Coahoma		1271
58.0	53.0	58.0	No
MS	Coahoma		1272
78.0	64.0	78.0	No
Does this farming operation lease land from another producer?			No
Does this farming operation lease land to another producer?			Yes
State	Administrative County	Farm Serial Number	Tract Number
Name of Person Land is Leased To	Leased Acres	Type of Acres	Type of Lease
Crop Share	Interest in the Land is same as last year?		
MS	Coahoma	1147	6686
FARMER LLC	304.2	Cropland	Share
25%	Yes		
MS	Coahoma	4213	1270
FARMER FARMS	49.2	Cropland	Cash
	Yes		
Part D - Custom Services (applicable for all business types)			
Will custom services, such as harvesting, spraying, fertilization, tillage, seeding, etc., be utilized for this farming operation?			No
Note: Do not include equipment contributed by members of general partnerships or joint ventures.			
Part E - Equipment Information (applicable for all business types)			
Does the producer provide equipment to this farming operation?			No
Part F - Labor Information (applicable for all business types)			
Does the producer provide labor to this farming operation?			No
Part G - Management Information (applicable for all business types)			
Does the producer provide management to this farming operation?			Yes
Does the producer contribute active personal management to the farming operation?			Yes
What is the estimated percent of active personal management contributed to the farming operation?			100 %
Types of Management Duties Performed			
Is any of the management contributed to the farming operation hired?			No
Is there any additional management duties/activities contributed to the farming operation?			No
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To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.			

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*--132 Business File Equivalent of CCC-902I Short Form (Continued)

C Example of Automated CCC-902 (Continued)

CCC-902 (Page 2)		Date Submitted:	Version Number: 9
Producer Name IMA FARMER			
Part H - Minor Information (only applicable for individuals)			
Will the producer be 18 years of age by June 1 of the current program year?			Yes
Part I - Citizenship Information (only applicable for individuals)			
Is the producer a United States citizen or an alien lawfully admitted into the United States?			Yes
Part J - Remarks			
Part K - Certification (applicable for individuals and entities)			
I certify that all the information entered on this document and any supporting documentation is true and correct. I understand furnishing incorrect information will result in forfeiture of payments and may result in the assessment of a penalty. I will timely provide written notification to the Farm Service Agency Committees of any changes in this farming operation. By signing this form, I acknowledge that:			
<ul style="list-style-type: none"> • all supporting documentation has been submitted as required • I have read and understand all definitions and requirements • all information contained on this form will be considered in effect continuously unless changes or revisions are submitted. • it is my responsibility to timely notify FSA in writing of any changes in the farming, ranching or forestry operation, or financial status that may affect these representations. • evidence such as tax records, certified public accountant's certification, or other documentation may be required to validate these representations and that I will take all necessary actions to provide such materials to FSA if requested. 			
Signature of Producer (by)	Title/Relationship of the Individual Signing in Representative Capacity	Date (MM-DD-YYYY)	
<small>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Food Security Act of 1985 (Pub. L. 99-198 - as amended), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits.</small>			
<small>This information collection is exempted from the Paperwork Reduction Act, as is required for the administration of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.</small>			

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***--132 Business File Equivalent of CCC-902I Short Form (Continued)**

D Comparison of Manual CCC-902I Short Form and Automated CCC-902

This table compares the parts and features of the manual CCC-902I Short Form and the automated CCC-902.

Item or Contribution	CCC-902I Short Form	CCC-902 Automated	Explanation of Differences
Name, Address, TIN	Part A	Part A	CCC-902I Short Form - manual entries. Automated CCC-902 - SCIMS records.
Citizenship status	Part B	Part I	
Minor child status	Part B	Part H	
Other farming interests	Part B		CCC-902I Short Form - manual entries. Automated CCC-902 - this information will not be recorded in the collection process.
Land	Part C	Part C	CCC-902I Short Form - manual entries by farm number, cropland acres only. Automated CCC-902 - information sourced from farm records; entries by farm number, tract number, cropland and farmland acres; percentage of division not needed for share leases.
Capital	Part C	Part B	Both forms - manual entries. Automated CCC-902 - entry for percentage of total contribution.
Equipment	Part C	Part E	Both forms - manual entries. Automated CCC-902 - entry about leasing to another producer.
Labor	Part D	Part F	Both forms - entries for percentage contribution. Automated CCC-902 - no entry for hours provided.
Management	Part E	Part G	Both forms - entries for percentage contribution.
Custom Services	Part C	Part D	Both forms - same or similar entries.
Certification	Part F	Part K	Both forms - same entries and requirements.

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133-135 (Reserved)

Section 6 Trusts

166 Revocable and Irrevocable Trusts

A Types of Trusts

For payment limitation purposes, there are 2 types of trusts, as follows.

Trust Type	Characteristics
Revocable	<ul style="list-style-type: none"> • Can be modified or terminated by the grantor or the assets revert to the grantor after a specific period of time. • Does not meet the criteria for an irrevocable trust.
Irrevocable	<ul style="list-style-type: none"> • May not be modified or terminated by the grantor. • The grantor does not have any future, contingent, or remainder interest in the corpus of the trust. • For trusts established after January 1, 1987, does not provide for transferring the corpus of the trust to the remainder beneficiary in less than 20 years from the date the trust is established, except in cases where the transfer is contingent upon the remainder beneficiary achieving at least the age of majority or upon the death of the grantor or income beneficiary. <p>Note: All trusts not meeting these requirements shall be considered revocable trusts.</p>

B Trust Scrutiny

All trusts that receive payments shall be carefully scrutinized to ensure that the trusts are legitimate legal entities and have **not** been created solely for the purpose of evading payment limitation provisions.

County Offices shall:

- require producers to provide a copy of the trust agreement unless the trust is a revocable trust
- * * *
- determine whether provisions are included in the trust that would require the trust to be considered a revocable trust for payment limitation purposes.

167 Trust Eligibility Determinations

A Revocable Trust and Grantor

A revocable trust is the same as the grantor.

B Trusts With Minor Children Beneficiaries

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

For revocable trusts with 1 or more minor children as beneficiaries, payments earned by the minor children's interest will be **not** be attributed to the parent's or court-appointed person's interest, if they are **not** grantors of the trust.

C Programs Not Requiring Actively Engaged in Farming Determinations

If a program requires eligibility determinations, but **not** actively engaged in farming determinations, the following are **required** to be eligible for payments or benefits:

- claimed share of the profits or losses of the farming operation **must** be commensurate with the contributions to the farming operation
- contributions **must** be at risk.

D IRA's and Employee Profit-Sharing Plans

An IRA or employee profit-sharing plan may be considered an eligible program participant, as a trust **only**, if the Regional Attorney determines the account:

- meets the definition of legal entity
- has full function of a trust
- is owner of the land on which program benefits are requested.

* * *

*--The minimum information submitted for an IRA or Profit Share Plan **must** include documentation that:

- discloses the full trust agreement, naming the trust and the trustee who will function for the trust regarding all FSA programs
- proves the land as an asset of the trust and properly deeded to the trust as evidenced by a deed or other document that FSA can review.

Note: Approval from the Regional Attorney is required **before** any eligibility determinations.--*

Part 5 Payment Limitation by Direct Attribution**176 Program Payment and Benefit Limitations****A Person or Legal Entity**

Program payments and benefits specified in paragraphs 11 and 14 are limited to:

- person
- legal entity.

B Joint Operation

Program payments and benefits to a joint operation are limited by the total number of persons and legal entities that are members multiplied times the dollar amount of the limitation of the program specified in paragraph 14.

177 Payment Reductions**A Proportionate Reductions**

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

178 Exceptions for Inheritance and Estates**A Inheritance**

Payments received directly or indirectly by a person may exceed the applicable limitation if **all** of the following apply:

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

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

178 Exceptions for Inheritance and Estates (Continued)

A Inheritance (Continued)

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

- for DCP and ACRE, 1 program year

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

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

B Estates

Payments received by an estate will be:

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

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

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

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

179 Payment Attribution

A Payments to a Person

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

B Payments to a Legal Entity

Program payments made directly to a legal entity are attributed to those persons that have a direct and indirect interest in the legal entity (Exhibit 4), **unless** the payments to the legal entity have been reduced by the pro rata share of the person.

191 Determining AGI and Average AGI

A Determining Total AGI (Farm and Nonfarm)

Determine AGI according to the following table.

IF certification is by...	THEN AGI is the...
a person filing a separate tax return	amount reported as AGI on the final IRS tax return for the person for the applicable year.
a person filing a joint tax return	full amount reported as AGI on the final IRS tax return for the applicable year. Exception: A certification is provided by a certified public accountant or an attorney that specifies what the amounts would have been if separate tax returns would have been filed for the applicable year.
an LLC, LLP, LP, or similar type of organization	income from trade or business activities plus the amount of guaranteed payments to the members as reported on the final IRS tax returns for the applicable year.
an estate or trust	adjusted total income plus charitable deductions as reported on the final IRS tax return for the applicable year.
a corporation, including subchapter S corporation	total taxable income plus the amount of charitable contributions as reported on the final IRS tax return for the applicable year.
a tax-exempt or non-profit organization	unrelated business taxable income as reported to IRS less any income that CCC determines to be from noncommercial sources.

191 Determining AGI and Average AGI (Continued)

B Using IRS Data for AGI Determinations

The following provides guidance on AGI determinations using data reported to IRS.

IF determining AGI for...	THEN see IRS Form...	AND use the amount entered on...
Corporations	1120	line 30 (total taxable income), or for S corporations line 21 on IRS-1120S (ordinary business income) plus line 19 (charitable contributions) for years 2000 *--through 2010.--*
estates or trusts	1041	line 22 (taxable income) plus line 13 (charitable deductions) for years *--2000 through 2010.--*
LLC's, LLP's, LP's, or other similar type organization	1065	line 22 (total income from trade or business) plus line 10 (guaranteed payments to partners) for years *--2000 through 2010.
Persons	1040	<ul style="list-style-type: none"> • line 37 (AGI) for 2005 through 2010--* • line 36 (AGI) for 2004 • line 34 (AGI) for 2003 • line 35 (AGI) for 2002 • line 33 (AGI) for 2001 • line 33 (AGI) for 2000.
tax-exempt or charitable organizations	990-T	line 34 (unrelated business taxable income) minus income that CCC determined to be from non-commercial activity for years 2000 *--through 2010.--*

Note: Variations of the referenced IRS tax forms, or comparable forms, may apply in which the line items for the appropriate income amounts will be different.

C Applicable Years for Determining Average AGI

Use the following table for applicable years to be used for determining average AGI.

IF crop year is...	THEN Average AGI will be based on the following years...
2009	2005, 2006, and 2007.
2010	2006, 2007, and 2008.
2011	2007, 2008, and 2009.
2012	2008, 2009, and 2010.

192 Average AGI Limitations and Payment Eligibility

A Applying Average AGI

The following table shows how different average AGI amounts affect payment eligibility for a person or legal entity under different programs.

Average AGI Programs and Limitations			
Program	Average AGI Amount	Income	Average AGI
Commodity and Price Support	\$500,000	Nonfarm.	Adjusted gross nonfarm income.
Conservation	\$1 Million	Nonfarm, unless 66 percent or more average AGI is farm.	Adjusted gross nonfarm income unless not less than 66 percent of the average AGI is average adjusted gross farm income. Note: May be waived on a case-by-case basis if environmentally sensitive land of special significance would be protected.
DCP Direct Payments	\$750,000	Farm.	*--Adjusted gross farm income (must also meet \$500,000 adjusted gross nonfarm income limitation).--*

192 Average AGI Limitations and Payment Eligibility (Continued)

B AGI Examples

The following examples show how different average AGI amounts affect payment eligibility for different programs.

Applying Average AGI Limitations					
Example	Average AGI		Program Benefits		
			Commodity	DCP Direct Payment	Conservation
1	Farm	\$1.4 Million	Not Eligible	Not Eligible	Eligible
	Nonfarm	\$600,000			
	AGI	\$2 Million			
2	Farm	\$3 Million (71%)	Not Eligible		Eligible
	Nonfarm	\$1.2 Million			
	AGI	\$4.2 Million			
3	Farm	\$700,000	Not Eligible		Eligible
	Nonfarm	\$600,000			
	AGI	\$1.3 Million			
4	Farm	\$800,000 (40%)	Not Eligible		Not Eligible
	Nonfarm	\$1.2 Million			
	AGI	\$2 Million			
5	Farm	\$3 Million	Eligible		Eligible
	Nonfarm	\$0			
	AGI	\$3 Million			

194 Commensurate Reductions

A Commensurate Payment Reductions

[7 CFR 1400.503] Any payment and benefit earned by a legal entity or joint operation shall be reduced by an amount that is commensurate with the direct and indirect interest of any member or shareholder who either:

- is determined to have an average AGI in excess of the limitations
- fails to timely submit a certification statement.

Ownership interest in a legal entity shall be reviewed to the fourth level, if applicable, to determine applicable commensurate share reductions.

Note: If the fourth level ownership interest is **not** held by a **person**, that share is **not** eligible for payment or benefits.

B Applying Commensurate Payment Reductions

Commensurate payment and benefit reductions apply to:

- the crop year, program year, or FY
- all program payments and benefits to which average AGI applies.

195 Average AGI and NRCS Programs**A Data-Sharing With NRCS**

NRCS:

- administers some programs that are subject to average AGI limitation requirements
- has program coordination and delivery responsibilities.

FSA has the responsibility for determining average AGI compliance for applicable persons and legal entities.

Upon request from NRCS, FSA will supply average AGI compliance data for the persons and legal entities specified in the request.

If FSA has records on file for the person or legal entity, FSA will provide NRCS read access to the subsidiary eligibility data through Web service.

B AGI Certification Statements Not on File

If an AGI certification statements is **not** on file for a participant in an NRCS-administered program:

- NRCS will request the AGI certification from the person or legal entity
- FSA will make the corresponding average AGI compliance determination
- provide the same information to NRCS as specified in subparagraph A.

***--C FSA and NRCS Administrative Responsibilities**

See Exhibit 14 for the Memorandum of Agreement between NRCS, FSA, and CCC for implementing common provisions, including payment eligibility and payment limitation provisions, through September 30, 2012.--*

196 Waiving Average AGI Limitation for Conservation Programs Only**A Secretary Waiving Conservation Program Average AGI Limitation**

The Secretary may waive the AGI limitation applicable to conservation programs:

- on a case-by-case basis
- to protect environmentally sensitive land of special significance.

B Written Requests

Written requests for consideration of Secretarial waiver **must**:

- document that land, within or adjacent to the producer's agricultural operation, contains critical resources; such as, but **not** limited to the following:
 - critical groundwater recharge areas
 - historical or cultural resources
 - threatened, endangered, or at-risk species
 - unique wetlands
- do either of the following:
 - show that using conservation program funding by 1 producer is critical to the success of the project that benefits multiple producers in a community watershed or other geographic area
 - achieve enduring conservation treatment through using long-term agreement (greater than 15 years) or deed restriction on the land.

***--Note:** See the Adjusted Gross Income (AGI) Limitation Waiver Request Worksheet for Conservation Reserve Program, 2-CRP, Exhibit 16.--*

196 **Waiving Average AGI Limitation for Conservation Programs Only (Continued)**

C Referral and Review

Any written requests received for average AGI limitation waiver consideration will be subject to a joint review completed by the following:

- NRCS State Conservationist and FSA's SED
- Chief, NRCS, and the Administrator, FSA, or their designees

D Determination and Implementation

Determinations for any waiver of average AGI limitation for conservation program requests will be implemented with the coordination of **both** NRCS and FSA officials, as appropriate.

442 State Office Action for Submitting CCC-902EYR

A Overview

To assess the overall effectiveness of the end-of-year reviews, one CCC-902EYR summarizing results of County Office reviews conducted is **required**.

B Preparing Summary CCC-902EYR

State Offices shall do the following.

Step	Action
1	Review County Office CCC-902EYR's.
2	*--Use CCC-902EYR to summarize totals of County Office CCC-902EYR, items 5, 6, and 7.--*
3	Attach a copy of the County Office CCC-902EYR's to the State Office CCC-902EYR.
4	Send the State Office CCC-902EYR to PECD. Notes: Include all CCC-900-5 summaries. Negative reports are required.

C Example of CCC-902EYR

See subparagraph 441 E for an example of CCC-902EYR.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None.

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026A	Supplemental to AD-1026		34
CCC-502	Farm Operation Plan for Payment Eligibility Review for _____		Ex. 10
CCC-509	2009-2012 Direct and Counter-Cyclical Program Contract		3, 119, 157
CCC-526	Payment Eligibility Average Adjusted Gross Income Certification		Ex. 10
CCC-580	Milk Income Loss Contract (MILC)		186
CCC-900-1	Payment Eligibility/Limitation Selection, Notification, and Information Collection Checklist 1	421	
CCC-900-2	Payment Eligibility/Limitation Documents Received From Producer Checklist 2	421	
CCC-900-3	Payment Eligibility/Limitation Contribution Worksheet	421	
CCC-900-4	Payment Eligibility/Limitation Substantive Change and Other Determinations Worksheet	421	
CCC-900-5	Payment Eligibility/Limitation Summary of Findings and Recommendations	421	
CCC-901	Member's Information - 2009 and Subsequent Years	99	Text
CCC-902 Automated	Farming Operation Plan for Payment Eligibility - 2009 and Subsequent Program Years	130.5	
CCC-902 Continuation	Continuation Sheet for Leased or Owned Land (Attach to Form CCC-902I or CCC-902E)	140	Text, Ex. 10
CCC-902E	Farm Operating Plan for an Entity - 2009 and Subsequent Program Years	120, 122, 140, 149, 158, 170	Text, Ex. 10
CCC-902E Continuation	Continuation Sheet for Farm Operating Plan for an Entity - 2009 and Subsequent Program Years	141	34
CCC-902EYR	End-of-Year Report of payment Limitation Review	441	
CCC-902I	Farm Operating Plan for an Individual - 2009 and Subsequent Program Years	130	Text, Ex. 10

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-902I Short Form	Farm Operating Plan for an Individual - 2009 and Subsequent Program Years	131	34, 74
CCC-902I Automated (Short Form)	Farm Operating Plan for an Individual - 2009 and Subsequent Program Years	132	
CCC-903	Worksheet for Payment Eligibility and Payment Limitation Determinations	207	33, 109
CCC-926	Average Adjusted Gross Income (AGI) Statement	198	31, 32, 119, 189, 199, 200, Ex. 10
CCC-927	Consent to Disclosure of Tax Information - Individual	200	199, 200, 202, 203.4, 204, Ex. 11-13
CCC-928	Consent to Disclosure of Tax Information - Legal Entity	200	199, 201, 202, 203.4, 204, Ex. 11-13
CCC-929	Average Adjusted Gross Income (AGI) Supplemental	201	
CRP-1	Conservation Reserve Program Contract		13, 187, 190, Ex. 10
FSA-211	Power of Attorney		189
I-151 <u>1/</u>	Alien Registration Receipt Card		107
I-551	Permanent Resident Card/Resident Alien Card	107	108, 120, Ex. 2
IRS-990	Return of Organizations Exempt From Income Tax		97
IRS-990-T	Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))		191
IRS-1041	U.S. Income Tax Return for Estates and Trusts		191
IRS-1040	U.S. Individual Income Tax Return		191
IRS-1065	U.S. Return of Partnership Income		191
IRS-1120	U.S. Income Tax Return for an S Corporation		191
IRS-1120S	U.S. Income Tax Return for an S Corporation		191

1/ Form is obsolete.

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are **not** listed in 1-CM.

Approved Abbreviation	Term	Reference
AMA	Agriculture Management Assistance	11, 187
AWEP	Agricultural Water Enhancement Program	11, 187
CBWP	Chesapeake Bay Watershed Program	11, 187
CCPI	Cooperative Conservation Partnership Initiative	11, 187
CPA	Certified Public Accountant	189, 200, 204
CSTP	Conservation Stewardship Program	11, 14, 187
EIN	employer identification number	156, 168, 200
ELAP	Emergency Assistance Program for Livestock, Honey Bees, and Farm-raised Fish	11, 14, 186, 187
FRPP	Farm and Ranchland Protection Program	11, 187
IRA	individual retirement account	167
LLP	limited liability partnership	34, 52, 146-148, 149, 191
LP	limited partnership	34, 52, 120, 146-148, 149, 191, Ex. 2
MLG	marketing loan gain	3, 11, 12, 14, 186
SURE	Supplemental Revenue Assistance Payments Program	1, 11, 14, 186, 187
TAAF	Trade Adjustment Assistance for Farmers	14, 34, 187
WHIP	Wildlife Habitat Incentives Program	11, 14, 187

Redelegations of Authority

This table lists redelegations of authority in this handbook.

Redelegation	Reference
Making Determination Decisions	216
Monitoring Determinations	216

Menu and Screen Index

The following table lists the menus and screens displayed in this handbook.

Menu or Screen	Title	Reference
	Farming Operation Summary Page Screen	130.5
	Farming Operation Summary Page (Short Form) Screen	132

***--Memorandum of Agreement**

Following is the Memorandum of Agreement between NRCS, FSA, and CCC for implementing common provisions, including payment eligibility and payment limitation provisions through September 30, 2012.

Memorandum of Agreement (MOA)
between
Natural Resources Conservation Service (NRCS),
Farm Service Agency (FSA), and
Commodity Credit Corporation (CCC)
For the Implementation of Common Provisions, Including
Payment Eligibility and Payment Limitation Provisions
Through September 30, 2012

I. PURPOSE

The purpose of this (MOA) is to provide for the implementation, cooperation, expectations and responsibilities between FSA, NRCS, and CCC in administering provisions common to the agencies including all payment eligibility and payment limitation provisions as found in the Food, Security Act of 1985, as amended, and regulations at 7 CFR Part 1400.

II. GENERAL PROVISIONS

FSA and NRCS administer various farm commodity and conservation programs in which participants are subject to payment eligibility and payment limitation requirements in 7 CFR Part 1400. The administration of these programs requires the obtaining of information, determination of eligibility, and maintenance of this data. FSA has the administrative responsibilities for collecting and maintaining data that includes the name and address of the participant (SCIMS and farm records); information about the participant's farming operation (subsidiary files); and information on the participant's annual income (AGI files). FSA uses this information to make determinations of the participant's eligibility for program payments and restrictions on the amount of such payments that can be received by the participant, both directly and indirectly, for direct attribution. FSA has developed custom software applications for both the System 36 and web-based environments to store the eligibility data of all participants. FSA maintains this data and ensures the credibility and accuracy of this data. FSA performs the administrative compliance duties of the payment eligibility requirements and determinations of all participants of record. As such, FSA has also entered into agreements with the IRS and the Social Security Administration to verify and validate the accuracy of the participant information. FSA provides this data and develops common eligibility routines used by NRCS in the administration of conservation programs for which they have responsibility.

***--Memorandum of Agreement (Continued)**

III. AUTHORITY

This MOA is authorized by Title I of the Farm Security and Rural Investment Act of 2002 (2002 Act), Title I of the Food, Conservation, and Energy Act of 2008 (2008 Act), and Title XII of the Food Security Act of 1985 (1985 Act), as amended. Other authorities may also apply.

IV. RESPONSIBILITIES

A. FSA and CCC responsibilities:

1. In consultation with NRCS, develop and maintain rules, regulations, policies, and procedures that govern payment eligibility, payment limitation and average adjusted gross income (AGI) limitation requirements common to multiple programs administered by FSA and NRCS.
2. Annually publicize and provide information on all requirements of payment eligibility, payment limitation, and AGI limitations.
3. Provide leadership and guidance to all USDA agencies as needed on all payment eligibility, payment limitation and average AGI limitation issues.
4. Provide consultation regarding common policies and procedures between FSA and NRCS leadership.
5. Develop and maintain information collection processes necessary to obtain program participant information such as name and address; farming operation types and locations; legal entity types; farm and nonfarm income data as reported to the IRS for periods of at least three years (CCC-902; CCC-901; CCC-926; CCC-526C; and, other forms and documents determined applicable).
6. Timely make determinations regarding the participant's eligibility for program benefits and the amounts that can be received annually.
7. Annually, or as otherwise applicable, obtain an acceptable certification of average AGI from all persons, legal entities, and members of legal entities for the appropriate reporting time period.
8. Develop common eligibility routines for use by FSA and NRCS. Significant changes to existing routines, or the addition of new routines, will be planned in conjunction with NRCS and with adequate testing time allowed prior to implementation.

--*

***--Memorandum of Agreement (Continued)**

9. Record determinations for payment eligibility and payment limitation purposes for immediate use by both FSA and NRCS in payment processing.
10. Timely provide written notice to program participants of the determinations made for payment eligibility and payment limitation purposes with rights to appeal if determinations are considered adverse.
11. Timely acknowledge appeals and administrative hearing proceedings on all appeals.
12. Maintain the administrative case files on appeal hearings with the National Appeals Division (NAD).
13. Respond to any further administrative proceedings as necessary with NAD for appeals, reconsiderations and reviews.
14. Develop software user requirements and technical specifications, program, test, implement, and maintain common software routines used by all agencies to determine eligibility, payment eligibility, payment limitation, and average AGI limitations. Maintain a software test environment as well as a software production environment.
15. Maintain FSA and NRCS customer records for Farm and Tract Eligibility (FTE), and Highly Erodible Land Conservation and Wetland Conservation (AD-1026).
16. Make available and allow secure access by NRCS software applications via web-services to the current data on all program participants that includes information recorded in SCIMS, farm tract records, entity files, subsidiary files and eligibility files as developed under regulations pertaining to FSA.
17. Make available to program participants the appropriate forms for Consent for IRS to disclose pertinent information to FSA for AGI limitation compliance purposes.
18. Process information and data returned from the IRS for participants that previously submitted valid consent forms to the IRS.
19. On a regular basis as data is returned from IRS, record and update eligibility files for participants with average AGI amounts below the threshold levels as verified with IRS data.
20. Notify participants that appear to have average AGI amounts above the threshold levels of the results of the IRS data analysis, and require all such participants to provide actual tax records or other acceptable documentation. within 30 days to demonstrate that average AGI does not exceeds the established limits.

--*

***--Memorandum of Agreement (Continued)**

21. Revise business rules to not allow any payment activity or otherwise disable all eligibility files for participants that are notified that average AGI amounts have been determined to be above the applicable thresholds for payment eligibility.
 22. Review tax data and other information provided by program participants with questionable AGI amounts and conclusively determine AGI compliance.
 23. Notify participants subject to the AGI review the results of the evaluation and determination of AGI compliance for the applicable year or years reviewed.
 24. Provide to NRCS a list of participants determined to be non-compliant with the average AGI limitations for appropriate actions.
 25. Conduct regular reconciliation processes to identify participants that have received current year benefits, but have not been included on any data return from the IRS, which indicates a consent form has not been submitted.
 26. Provide to NRCS a list of participants identified as current year payment recipients, but have not provided a consent form to the IRS for appropriate follow-up actions.
 27. Provide to NRCS on a regular basis a list of participants recorded as current year program payment recipients, but also identified as deceased on the most recent Social Security Administration's Death Master File.
 28. FSA shall timely notify NRCS of the annual cost IRS charges to FSA/CCC for AGI validation and the annual cost to obtain the Death Master File from the Social Security Administration.
- B. NRCS responsibilities:
1. Make available to program participants the appropriate forms needed for payment eligibility and payment limitation purposes.
 2. Make available to program participants the appropriate forms for Consent for IRS to disclose pertinent information to FSA for AGI limitation compliance purposes.

--*

***--Memorandum of Agreement (Continued)**

3. Timely deliver to the local FSA office any forms and documentation completed for payment eligibility and payment limitation purposes by participants of NRCS-administered programs.
4. Timely reimburse FSA and/or CCC no less than one-third of the annual cost that IRS will charge FSA/CCC for the average AGI validation process. The estimated cost for FY 2010 is . The estimated cost for FY 2011 and FY 2012 is for each year.
5. Reimbursement will not be required for any part of the annual subscription fee of paid by FSA/CCC for the Social Security Administration's Death Master File.

V. MISCELLANEOUS PROVISIONS

1. FSA, CCC and NRCS mutually agree to cooperate at all levels to ensure consistent implementation of all payment eligibility and payment limitation requirements applicable to all conservation programs.
2. It is mutually agreed that this Agreement is effective when signed by all parties and shall continue in full force and effect through September 30, 2012. This Agreement may be terminated at any time with thirty days notice by one party. Should this Agreement be terminated, billing will be submitted for services rendered prior to the date of termination for which payment has not been received. This Agreement may be modified by amendment duly executed by officials of FSA and NRCS. NRCS and FSA will enter annually into a National Level Reimbursement Agreement (Form AD-672) based on this interagency agreement and any amendments hereto.
3. Neither CCC, FSA, nor NRCS, shall assign or transfer any rights or obligations under this Agreement without prior written approval of the other party.
4. CCC, FSA and NRCS agree that, to the extent possible under applicable law, each party will be solely responsible for its own acts omissions, and the results thereof, and shall not be responsible for the results thereof caused by the acts or omissions of the other party.
5. The Deputy Administrator for Farm Programs, Farm Service Agency or the Deputy Administrator designee or successor, is delegated authority to carry out this Agreement for FSA and CCC, and, with the NRCS Chief, or designee, may further amend this Agreement consistent with the provisions of the 1985 Act, as amended, and the regulations at 7 CFR Part 1400. The provisions of this Agreement may only be modified by written agreement between the parties.

--*

*--Memorandum of Agreement (Continued))

6. All parties to this MOA will comply fully with the information gathering provisions of section 1619 of the 2008 Act, the Privacy Act, the Freedom of Information Act, and any other related acts concerning privacy and the dissemination of records.

FARM SERVICE AGENCY/
COMMODITY CREDIT CORPORATION

12/10/09
Date

NATURAL RESOURCES
CONSERVATION SERVICE

3-17-10
Date